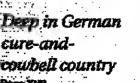


Time-warved in Austria's second city









US Elections

Something strange in California

FINANCIAL TIMES

Europe's Business Newspaper

EU averts budget crisis with deal on Italy's fines

European Union finance ministers reached a compromise over fines due from Italy for cheating on its milk production quota. The settlement resolves the crisis over the union's planned budget increase and means that enlargement due to bring in Austria Pinland in Austria, Finland, Sweden and Norway next year, can proceed. Page 26

US and North Korea sign accord: The US and North Korea signed an agreement to defuse nuclear tension in the Korean peninsula in spite of international doubts about the wisdom of providing aid and technology to a country that flouts the Nuclear Non-Proliferation treaty. Page 26

Actor Burt Lancaster dies aged 80 Actor Burt Lancaster



died at his home in Los Angeles, aged 80. He had been in poor health for some time. He appeared in more than 70 films including From Here to Eternity, Elmer Gantry, for which he received an Academy Award, and The Birdman of Alcatras. He made his last film, Voyage of Terror, in 1990.

CIS to form economic committee: The 12 former Soviet republics which belong to the Commonwealth of Independent States took a tentative step towards closer to integration by agreeing to form a supra-national economic committee.

Satellite boss dismissed: Societe Europeenne des Satellites, the company that operates the Astra

director-general, Pierre Meyrat. SES said Mr Meyrat, a pioneer of satellite television in Europe, had "been released from his duties". The departure is in spite of letters of support from customers.

Cigarette profits lift American Brands: A big increase in profits from cigarettes helped US consumer products group American Brands lift net income 79 per cent to \$152m in the third quarter.

Clinton to visit Syria: US president Bill Clinton will visit Damascus next week for talks with Syrian president Hafez al-Assad on negotiations between Syria and Israel. Israel shells guerrillas in Lebanon, Page 3

Poor US sales hold back Kellogg: Poor sales in the US held back profits growth at Kellogg, the US breakfast cereal maker, in the three months to Page 11

Japan's brokers stall at halfway: Interim earnings at Japan's leading brokers were held back by lower-than-expected stock market volume which resulted in reduced stock broking commissions. Page 11

Value of British Coal assets questioned: The successful bidders for British Coal mines have offered far more than is being paid for coal assets on the international market, a report says. Page 10

Lloyd's agents to appeal in Gooda case: Lloyd's of London insurance market agencies facing record claims for compensation from members after the High Court judgment against them in the Gooda Walker case are to go to the Court of Appeal.

Farmers face tough 'green' measures: UK agriculture minister William Waldegrave is discussing proposals to force European Union cereal farmers to adopt environmentally friendly practices in return for the £8.1bn (\$12.8bn) annual payments they receive as compensation for cuts in grain prices. Page 4

Pearson to buy magazine group: Pearson, the media and information group that owns the Financial Times, has agreed to buy Future Publish ing for £52.5m (\$83m). The company specialises in computer and consumer magazines.

Tunnel train delayed again: A Channel tunnel Eurostar train broke down for the second consecutive day. BR chairman Sir Bob Reid and Eurotunne joint chairman Sir Alastair Morton were among 400 passengers delayed for two hours at Calais station on their way to Paris from London. Page 6

Clocks go back in UK: Summer time ends in the UK at 2am on Sunday. Clocks will be put back

Companies in this issue 10 Hunting Air London 11 Kellogg American Brands 10 London America: Azian 10 Lucas Inda 10 Miller Brewing RCE Barr & Walter 10 Nildco Daiwa 11 Philip Morris Digital Equipment 10 R&M Geared **ECU Trust** 30vett Savett 10 Sepporo Bre 10 Stagecoach 40 Usinor Sacilo 10 VSEL -ligh-Point 11 Volkswape 10 Yamaichi

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Fayed gave Tories £250,000 after Harrods takeover

By Robert Peston and David Owen

Mr Mohamed Fayed, the Egyptian financier whose allegations about pay-ments to MPs have thrown the govern-ment toto disarray, said last night that he had made personal contributions totalling £250,000 to the Conservative party in the mid-1980s.

The contributions were made after be and his two brothers acquired House of Fraser, which owned Harrods depart-

ment store in London, in 1985. Following the takeover, the government faced lobbying from the Fayeds' arch rival, Mr Tiny Rowland, chief execntive of the international group, Lonrho,

that it to should take action against them for alleged misconduct during the 2615m House of Fraser takeover.

According to Mr Michael Cole, a Har-rods director who was speaking for Mr Fayed, the funds were "hamded person-ally to Lord McAlpine", at the time hon-orary treasurer of the party.

The Conservative party said last night that it had a rule of payer commenting that it had a rule of never commenting about personal donations. Lord

McAlpine was unavailable for comment. However, Mr David Blunkett, the former Labour party chairman, said the disclosure of these payments was damaging to There was also mounting pressure last

night for the resignation of Mr Neil committee to decide whether the trip been made public because personal pay-Hamilton, the corporate affairs minister should have been disclosed in the regisnamed by Mr Fayed earlier this week as one of two government ministers who had received payments for asking parlia-

Though Mr Hamilton has denied the allegations, Mr Alex Carlile, Liberal Democrat MP for Montgomery, called for an inquiry into Mr Hamilton's stay at the Ritz, the Paris hotel owned by the Fayeds. He made his request in a letter to Sir Geoffrey Johnson Smith, chairman of the Commons committee on members' interests. Mr Hamilton is alleged to have had an all-expenses paid stay at the Ritz. Mr Carlile wants the

ter of members' interests.

Mr Hamilton's decision to stay in his post has been supported by Downing Street, following a three-week investiga-tion by Sir Robin Butler, the cabinet secretary. There was speculation at Westminster that the conduct of a third minister - together with Mr Tim Smith, the junior Northern Ireland minister. who resigned on Thursday - had been investigated by Sir Robin.

Downing Street last night said it was not in a position to "confirm or deny any such things". Mr Fayed's payments to the Conservative party have never

ments to political parties, unlike corporate ones, do not have to be disclosed. Lonrho, which also wanted to buy House of Fraser, alleged that the Fayeds

had not used their own money for the takeover. Department of Trade and Industry inspectors were appointed in 1987. Their report, not published till March 1990, concluded that the Fayeds bad "misrepresented their wealth ... and resources". In spite of these criticisms, no action was taken by the DTI to disqualify them as directors of UK companies.

Doyen of the lobbyists, Page 8

Dublin welcomes package of Ulster confidence-building measures

Major paves way for start of talks with Sinn Féin

By Philip Stephens in London and John Murray-Brown in Belfast

Mr John Major, the UK prime minister, moved to entrench peace in Northern Ireland yesterday with an extensive package of confidence building measures. He announced the government was ready to open exploratory talks with Sinn Fein, the IRA's political wing, before the end of the

In a landmark speech in Belfast in which he confirmed tha gov-erament's "working assumption" that the IRA intended a permanent end to violence, Mr Major disclosed plans for a steady easing of security measures in the province.

His comments evoked a warm response in Dublin, modest encouragement from the Ulster Unionists and calls from Sinn Féin for direct negotiations not to be delayed. But Dr Ian Paisley, leader of the Democratic Unionists, accused Mr Major of "caving in" to the IRA.

Mr Major, who is to meet Mr Albert Reynolds, the Irish prime minister, on Monday, also emphasised his determination to accelerate negotiations on a new political settlement.

In spite of the refusal of Sinn Féin explicitly to renounce vio-lence for good, he said, the actions of the Republican movement during its six-week ceasefire pointed to a permanent end

to the violence. The orders excluding Mr Gerry Adams and Mr Martin McGuin-

Ulster peace process: Page 5

Paisley condemns initiative ■ Major takes risks

■ Sinn Féin aims to unite ■ Editorial Comment: Page 8

ness, the two leading spokesmen for Sinn Fein, from the British mainland were lifted. All border crossings with the Republic are

Declaring that "from this moment we are in a new phase of the peace process", the prime minister said measures marked the start of a "full return to democratic life". The aim was "to make a return to violence

Mr Major spelled out plans to create a new Ulster assembly and laid out the principles that would guide negotiations with the Irish

Republic on a constitutional framework for the province.
His speech included also a commitment to a large-scale initiative to rebuild the Northern

Ireland economy with a concerted effort to encourage inward investment and substantial European Union aid.

Overall, it marked a carefully balanced effort to reassure the unionist community of their continuing veto over the province's constitutional future while meeting the concerns of the nationalist community.

The prime minister's talks with

Mr Reynolds are designed to remove the remaining obstacles to a joint framework document on relations between the two governments and between Northern Ireland and the Republic.

Mr Major indicated that once the document is completed, the British side will publish also its ideas for a new, devolved assembly in Northern Ireland. The proposed assembly, which would be elected under a proportional vot-ing system, would give represen-tation to all shades of opinion in the province.

But in a warning of the difficulties to come, Mr Major said a lasting peace could be guaranteed only when the IRA and loy-



John Major speaking to the press at Stormont Castle, Belfast, with Northern Ireland secretary Sir Patrick Mayhew to his left

alist groups had surrendered their guns and explosives. He said the London government intended to establish a joint

approach with Dublin. Sinn Féin gave an insight into its likely negotiating position, warning that it would make the surrender of guns contingent on

ment

achieving broad political agree-

Mr Mitchel McLaughlin, northern chairman of Sinn Fein, said be saw 'the discussion on the political issues as part of the taking the gun out of Irish politics . . . Clearly there would have to be agreement on political structures to remove tha potential for political violence. That

political violence arose out of a

lack of agreement."

Jaguar car workers reject 7.5% pay package

By Robert Taylor,

Jaguar car workers have overwbelmingly rejected a twoyear pay deal worth 7.5 per cent in a move that has shocked tha company and the trade unions that negotiated the agreement. The decision aroused fears yes-

terday that discontent might spread to other parts of the UK car industry as economic recov-ery increases tha demand for cars and strengthens employees' bar-

gaining power.
Next week, unions covering 28,000 employees at the Rover group will announce the results of a workplace ballot on a 7.7 per cent, two-year pay offer. Nissan and Peugeot Talbot negotiate in November. Ford will increase pay by 3.5 per cent on November 24

as part of a two-year deal. Both sides at Jaguar are expected to meet in the next few days to try to revise the offer. If they fail to secure an improvement, the unions are likely to call a strike ballot. The Jaguar workers threw out the offer by a six-tofour majority in a consultative ballot organised by the compa-

ny's shop stewards. An official of the Transport and General Workers union said it believed

Continued on Page 26
Pay rejection signals restive mood, Page 4

Dollar US 30-yr long bond London Frankfurt FT-SE 100 Index Against the Yen (¥ per S) 3,400 ... 2,900 -

Dollar rebounds after slump

By Philip Gawith and Philip Coggan

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The US dollar rallied in London sterday after a week in which it hit a postwar low against the

Japanese yen and a two-year low against the D-Mark. The rally followed remarks

tional affairs at the US Treasury, that the US administration port the dollar.

would be prepared to intervene in the currency markets to sup-The US currency had dropped to Y96.50 and DM1.4880 in Asian trading earlier following com-

ments on Thursday by Mr Lloyd

US had returned to a policy of "benign neglect" towards the dollar. By the London close, the dollar was trading at Y96.995 and DM1.4954. The dollar's

Continued on Page 26 Japan calls for intervention Page 3; Currencies, Page 13;

		STOCK MARKET	NDIC	ES	
FT-SE 100:	(-19.47) (-0.976) (-92.82) (-22.88) (-2.0)	## US hancintime retes Federal Funds: 451% S-m Tress Bits: Yld 5.102% Long Bond 941/2 Yield 7.976% ## NORTH SEA OE. (Arges) Brent 15-day (Dec) \$16.25 ## Geld New York Connex (Dec) \$392.9 London \$390.7	(16.49)	Y 157.908 (157.862) E Index 80,4 (80.2)	London: DM 1.4954 (1.50 FFr 5.128 (5.14 SFr 1.2455 (1.24 Y 96.995 (97.3

Foreign Exchanges ...

ISE Desires.

Man in the News

THE FINANCIAL TIMES LIMITED 1994 No 32,504 Week No 42 LONDON · PARIS · FRANKFURT · NEW YORK · TOKYO

8.7% P.A. OVER TEN YEARS net of higher rate income tax TEN YEAR PERFORMANCE Whittingdale - The Gilt-Edged Experts Over the 10 year period, the Whittingdale Short Dated Gift Fund would have returned £4,850 more than a Building Society Account for a £10,000 investment. Please remember that past performance is not necessarily a guide to future returns and that the price of units and the income from them are not guaranteed and can go down as well as up. If you require further information on our range of unit trusts, please call us on 071 600 0462. WHITTINGDALE GILT-EDGED EXPERTS Over 5 years, the Short Dated Git Fund, an authorised unit trust, his given a nettern of 125%. Tax rates and relich are dependent the indeedur's circumstances and are subject to change. No allowance has been made for opid garie to. Whitingdate Unit Trust Management Landed or a Member of IPRO and LAUTRO. Whitingdate Limited is a Member of IPRO. "Source: HSW Limited."

Summit adds to 'paper trail' of agreements on co-operation

CIS states inch towards integration

By Chrystia Freeland in Moscow

The 12 former Soviet republics in the Commonwealth of Independent States took a tentative step towards closer integration at a summit in Moscow yesterday, agreeing to form a supranational economic committee. But many of the states

expressed reservations about this and other political and economic agreements signed, and retained the right to opt out of CIS accords.

These hesitations suggest

that, despite the decidediy upbeat tone of Russian President Boris Yeltsin at a concluding press conference, the CIS is unlikely to he granted the authority to overrule national

governments soon. Mr Yeltsin also made a veiled attack on Russian advocates of tough fiscal and monetary policy hy strongly endors-ing the hid hy the embattled republic of Tajikistan to rejoin the Russian rouble zone.

During yesterday's meetings the Russian and Moldovan prime ministers agreed on the withdrawal of Russian forces from Moldova hy 1997. Russia also pushed through an agreement on protection of national minorities, which could strengthen Moscow's efforts to speak for the 20m ethnic Russians living in other former Soviet republics, hut many states, including Ukraine, appended reservations to their signatures of the agreement.

Mr Yeltsin, who expressed his satisfaction about the for-mation of the inter-State Economic Committee, in which Russia will control 50 per cent of the votes and decisions are taken by an 80 per cent vote. admitted that real economic integration had not heen

Agreements on forming a payments union - which might requira a curtailment of national control over monetary policy if it is formed - and a customs union were also signed, but no details were

interfax that Ukraine would not join the payments union.

In the first nine months of rernment has collected only 37.3 per cent of the tax and receiving this year, according to a Ministry of Finance report released yesterday, writes Chrystia Freeland. The report

suggests that low rates of tax collection have played a significant role in creating the fiscal crisis that contributed to the crash of the rouble last week and prompted the Russian cabinet on Thursday to adopt a more austere hudget for 1995.

A 16 per cent decline in GDP higher than the government had predicted when drawing up the 1994 budget - and lower levels of inflation are, according to Russian officials, partially responsible for the low levels of tax collection. But economists believe that evasion and capital flight are largely to hlame.

Mr Yeltsin acknowledged the difficulties, saying: "Not all states are equally ready to take part in the economic union. although all voted for it."

Since its formation in December 1991 after the collapse of the Soviet Union the CIS has created an impressive paper trail of agreements but few have actually been implemented, Mr Yeltsin, who held a private meeting with Ukrainlan President Leonld Kuchma, praised the "com-pletely different atmosphere" which now prevails in Ukraini-an-Russian relations since the defeat of former President Leonid Kravchuk in elections in July. However, privately, Ukrainian officials said Kiev remained unwilling to give up any national sovereignty to CIS structures

 Mr Steve LeVine, central Aslan correspondent for the Financial Times and Newsweek, said yesterday the Uzhekistan authoritles had refused to renew his press accreditation. Mr LeVine said he was told: "We think you are against our president." He will minister, Mr Vitaly Masol, told continue to report on the region from Alma-Ata, the capital of Kazakhstan.

Ukraine to meet reform deadline

By Matthew Kaminski in Klev

Ukraine will initiate a series of tough macroeconomic reform steps, possibly as early as today, to meet Wednesday's deadline set hy the International Monetary Fund to release a first \$360m (£227.8m) credit to aid the country's transition to a market economy.

The two most important measures involve liberalising wholesale and energy prices and unifying the country'a myriad exchange rates. These reforms, the most radical since independence, would ha the first implemented under President Leonid Kuchma's western-tailored programme to overhaul the country's econ-

According to Mr Vladimir Naumenko, deputy economics minister, Mr Vitali Masol, the conservative prime mlnister hostile to reform, signed on Wednesday night nine decrees

liberalising prices and trade, indexing pensions and wages and shoring up the social safety net.

Mr Naumenko added that the National Bank yesterday finalised plans to unify the exchange rates. The decrees, likely to reassure western donors, mark a rare consensus within Ukraine's government.

Mr Masol signed the decrees under pressure from Mr Kuchma despite his criticism this week of plans to raise hread prices seven-fold, cut the hudget deficit to 10 per cent of GDP and unify exchange rates. The finalising of the decrees

will mean that Mr Kuchma will carry a stronger hand to Canada next week when he urges IMF, World Bank and G7 finance officials to help Ukraine cover a \$600m balance of payments gap for the fourth quarter and come up with about \$5.5bn in assistance to ease the economic transition.

Flamboyant Catalan faces survival test

Tom Burns examines charges against Javier de la Rosa that have landed the controversial financier in deep water

r Javier de la Rosa, the flamboyant Cata-lan financier who since Wednesday has heen sharing a small cell in Barcelo-na's Modelo prison, foundered in deep waters before and came ont swimming. But now he faces charges levelled hy means who claim he has swindied their savings.

These minority shareholders of Grand Tihidabo, the now hankrupt holding company 1991, accuse him of rerouting at least Pta3bn (£15m) towards his own private businesses

Mr de la Rosa, now 47, has swum away from the wreckage before. In 1985 he resigned as head of Banca Garriga Nogues, a small Barcelona subsidiary of the Banesto banking group, to start a private investment career. The following year Garriga Nogues collapsed with bad dehts of \$800m.

In May 1992 Mr de la Rosa

left Grupo Torras, the Spanish investment arm of the Kuwait Investment Office (KIO) that he had run for six years, and in December the company, citing losses of \$4hn, went into receivership.

The year before casting loose from the KiO, which is suing him separately along with other former Grupo Torras executives. Mr de la Rosa hegan putting together his own Piassing together his own financial empire hy paying Piassin in a public share offer for 30 per cent of Consorcio Nacional de Leasing (CNL), a Barcelona leasing company with a widely distributed small shareholders equity base. Later in 1991 he had CNL

huy 30 per cent of SA Tibi daho, a company he already controlled, sold CNL's head-quarters and its leasing business, and transformed it into a

holding company with the new name of Grand Tibidabo. Last May Mr de la Rosa's chequered husiness career repeated itself. A month ahead of Grand Tihidaho's general meeting he resigned as chair-man of the holding, saying he was willing to sell his stake in it for Ptal.
At the AGM Grand Tibida-

a revised audit had established losses for the company of nearly Ptallhn, in place of profits of Ptalam, and, during a six-hour meeting, they endured sustained abuse from angry minority shareholders.

The chief cause of the share holder hostility was their belief that Mr de la Rosa had used their money in Grand Tibidabo to huy and sell, at a profit to himself, properties that either belonged to him or to his associates and that he had decapttalised the holding in the pro-

What Banesto failed to do after the collapse of its Garriga Nogues subsidiary - and what KIO has so far failed to achieve after the fall of Grupo Torras has been accomplished by law-yers representing some 500 of Grand Tihidaho's 7,000-odd remaining shareholders. Mr de la Rosa is being held in custody pending charges of falsify-ing public documents and mis-



Javier de la Rosa: has swum away from wreckage before

appropriation of funds, which carry penalties of six to 12 years. He was ordered yesterday to post bail of Pta7bn to cover his alleged liability for the losses of Grand Tibidabo. Mr Joaquin Aguirre, the civil

court judge who ordered Mr de la Rosa's arrest three days ago, said tha financier must pay the money hy Monday or face a

possible embargo of his personal assets. The courts will decide

whethar the charges against him stick and the investigating judge may still add new ones. But what has for the time being put Mr de la Rosa behind bars in his home town is an odd combination of high-level political infighting and of small-time investor hostility.

"People kept telling Javier that what would land him in jail would not he the big KIO guns but the old widows who had their savings in CNL," says a Barcelona lawyer who monitored Mr de la Rosa's dealings. "Javier has tripped up hecause he refused to recognise that Grand Tihldabo had shareholders, that it had to be properly audited and that it was subject to the scrutiny of the stock exchange commission," says a former senior employee of the holding com-

pany.
The civil actions, like the ones hrought hy lawyers repre-senting a group of Grand Tihi-daho shareholders, do not in themselves propel the chair-man of a failed company into custody. Mr de la Rosa was not, however, an ordinary chairman and neither is the present mood in Spain; there is a backlash against those who made speculative fortunes during the late 1980s.

Politics lie close to the surface of the Grand Tihidaho affair as Mr de la Rosa was close to the Catalan nationalist party that runs the Generalitat, the Catalan government. The Barcelona prosecutors

seized on nilegations that Mr de la Rosa had temporarily used Ptathn of a Ptatohn loan to Grand Tibidabo, that had been guaranteed by the Generalitat 10 develop a theme park south of Barcelona, for his own

private husiness purposes.

The prosecutors - Mr Carlos
Jimenez Villarejo and Mr Jose
Marla Mena - are seen as
heing "political" prosecutors who are staunch opponents of the Catalan nationalist party. The two were involved in a long-running feud with the Generalitat during the 1990s when they attempted to pin the hlame for the fulure of a local banking group on Mr Jordi Pujol, its former chair-man and the Generalitat's

chief executive. Catalan nationalists say the prosecution of Mr de la Rosa is linked to attempts to undermine Mr Pujol, who has frequently held the financier up to he an exemplary Catalan entrepreneur.

Mr de la Rosa defiantly told a radio interviewer, shortly before his arrest, that "everyone had hatter he prepared to take their share of responsibil-

The whole affair takes the form of an Italian-style corruption scandal as Mr de la Rosa ls widely believed to have extensive dossiers on leading political figures in Spain and has allegedly taped all his con-versations. The discovery of a Panamanian passport, bearing Mr de la Rosa's photograph but with a false name, during a police search of one of his six offices in Barcelona underlined the dark side of the financier's

Gligorov

Bonn in call for continued support

By Bruce Clark

Germany will continue to need Nato and US support for its defence because of Russia's military strength and the uncertain prospects for democracy, the head of the German defence staff said yesterday. In a speech to the Royal United Services Institute, Gen

Klaus Naumann gave a strikingly downbeat view of the chances of stability or prosper-ity in the former Soviet Union. country "taking a giant step from feudalism to democracy without ever having gone through the experience of enlightenment".

"Stability and democracy are linked with economic prosperity, and the Russian economy . . . is far away from recovery, and hence we should not be too optimistic in our assessment," the defence chief

He told the institute: "In the presumably long process of disintegration and reconstruction [in the former Soviet Union] we are likaly to see further reversals . . . and more violence than we are now seeing in the almost forgotten wars of Caucasus."

Gen Naumann said that even if existing disarmament trea-ties were observed, Russia would still have more than 3,200 strategic nnclear warheads and an army of 1.5m men which Mr Yeltsin had promised to supply gener-

He was presenting to the institute his country's plans to develop a global rapid reaction capacity, including the ability to deploy one army division anywhere in the world within less than a month. He stressed that Germany did not expect to engage in such missions

Swedish forestry companies join forces to urge EU membership

By Hugh Carnegy

Sweden's top four forestry companies yesterday joined forces to warn that investment in Sweden would he threatened if the country voted against joining the European Union in a referendum on November 13. in a joint newspaper article, the chief executives of Stora, Europe's higgest forestry company, SCA, the continent's third biggest, Modo and Assidomân said EU membership was vital for Sweden's forestry industry, which has many promain markets in the Union.

"We want to invest in Sweden, but...if Sweden stands outside the EU It will likely lead to many internationally orientated companies choosing to invest in production inside

By Andrew Fisher in Frankfurt

Germany's money supply

growth continued to decelerate in September, but not by

enough to encourage hopes of

further interest rate cuts hy

the Bundesbank over the next

The closely watched M3 mon-

atary indicator rose at an ann-

ualised rate of 7.7 per cent last month. Some economists had

expected it to show a more

marked slowdown, now that

the distortions which caused it

to grow more sharply earlier this year have been ironed out.

The latest M3 figure "will

reduce market hopes for a fur-ther rate cut," said Mr Stephen

King, economist at James

Capel in London. "With rela-

tively high levels of capacity

few weeks.

the EU's borders," wrote the also bear directly some of the four, whose companies together employ 90,000 people in Sweden and abroad and have combined annual sales of Skr115bn (£9.8bn).

The article was similar to a public warning against tax increases issued by four senior industrialists before last month's general election. But it is far from clear that such interventions by husiness leaders in political campaigns have the desired effect. The election warning was aimed chiefly at the Social Democratic party, hut the party went on to win

Many of the Social Democrat candidates and supporters proclaimed that the country's large industrial companies, most of which are making big profits this year, should not only pay more taxes but should

and investment growth, there

is no real case for rates to be

reduced again in the current

The Bundeshank last

redoced rates in May hy half a

percentage point, hringing the

discount rate down to 4.5 per cent and the Lombard rate to 6

per cent. This helped move

money out of short-term depos-

its (included in M3) and into

Recently, Bundesbank direc-

tors have made clear they see

no immediate case for further

interest rate reductions, espe-

cially with tha strong eco-

Mr Hans Tietmeyer, hank

president, sald this week tha

bank wanted to keep money

market rates stable in the face

of international volatility. The

next Bondesbank council meet-

longer term funds.

nomic revival.

September's money supply growth continues deceleration

German interest rate hopes hit

costs of Swedish membership of the EU.

However, the latest opinion polls this week suggested that the Yes campaign now leads in the EU debate. A poll yester-day in Dagens Nyheter, the newspaper which carried the articla by the industrialists, showed support for Swedish membership running ahead of the opposition by 41 per cent to 34 per cent. The result showed a gain of five percentage points by the Yes camp, while the No side slipped three points from a previous poll in Septem-

Last Sunday, Finland became the first of the three Nordic EU applicants to vote on membership. Final official results published yesterday showed approval for joining by 56.9 per cent to 43.1 per cent, a

Germany: money supply

M3. % change from

previous Q4 average

1993

ing is on Thursday. The bank said the introduction of money

market funds into Germany

had had some impact on the slower M3 trend hut this

94

slightly narrower margin than initially reported by the authoritles. Norway, where opinion remains strongly against membership, is to hold its referendum on November

The Finnish parliament will hold its final vote on EU mem-bership on November 8 or 9, it was announced yesterday. The government is keen to secure parliamentary approval, which must be by a two-thirds major-ity, hefore the Swedish referendum in case a rejection of membership hy the Swedes causes a last-minute parlia-

in Stockholm yesterday, Mr Ingvar Carlsson, the prime minister, named Ms Anita Gradin. Sweden's ambassador to Austria, as the country's first EU commissioner if the referendum approves membership.

About DM5bn (£2bn) flowed

into foreign-based money mar-

ket funds in August and

DM3bn in September, a further

DM1.2hn went into German-

Not all of this came from

assats in the M3 definition,

however. Some came from abroad and some was switched

from bond holdings by inves-

tors nervous about long-term

what more strongly without

money market funds, but the

difference cannot be specified from information provided by the Bundeshank," said Mr

Richard Reid, an economist

rate cut at the next two fort-

He, too, thought M3 had not

with UBS, the Swiss bank.

nightly council meetings.

'M3 would have grown some-

registered funds.

interest rate trends.

paigned on his record of achieving a peaceful transition to independence and interna-

Macedonia's precarious politi-

cal stability. Official results of the firstround parliamentary vote were still unavailable yesterday. The state electoral commission, in charge of election procedures, said it was unable to produce full results as returns from some polling stations were missing and elec-

The Alliance for Macedonia led hy ex-communists and backed hy President Gligorov. claimed it won more than 30 per cent of the vote. Unofficial results gave VMRO about 13 per cent and the free-market nationalist Democratic party abont 10 per cent.

The Alliance said it captured 12 of the 120 parliamentary seats in the first round. The Party for Democratic Prosperity, the main ethnic Albanian party, claimed two seats. Because of the confusion

surrounding the poll, hoth VMRO and the Democratic party are threatening to boycott the run-off vote for parliament, set for October 30.

utilisation and strong export Greek central bank proves no place for a politician

bank governor, Mr Yannis Boutos, a former economy minister forced to resign last week in a dispute with the govarnment over the future of the loss-making Bank of Crete. "The lesson for everyone is that

you mustn't put a politician in charge of the Bank of Greece." said a senior economy ministry official.

The new central hank governor, Mr Loukas Papademos, promoted from deputy governor, presents a model technocrat's image after 10 years at the central hank, mainly as an influential hut low-profile eco-

Mr Boutos came out of political retirement to take over as head of the central bank 11 months ago when the Panhellenic Socialist Movement (Pasok) returned to power. But his personal friendship with prime minister Andreas Papandreou failed to offset the mistrust his conservative hackground inspired among senior socialists.

A clash of personalities rather than policies caused the downfall of Greece's central

At one level, Greece's central bank enjoys considerable autonomy, set-ting interest rates without interference from the government and managing monatary and foraign exchange policy on its own terms. However, the need to co-ordinate policy on financing Greece's huse public debt, amounting to more than 110 per cent of gross domestic product, and the development of its fast growing but still primitive capital market means the central bank must

co-operate closely with the economy ministry. "The governor shared our view on reducing inflation and gave us all the hacking we needed on curbing monetary expansion," one government official said. "But he wasn't part of banking culture." Tact is also needed to maintain relations with the state-controlled National Bank of Greece, the country's largest com-mercial bank which has a market share of close to 50 per cent of deposits hut a heavy hurden of non-performing loans. Senior managers at National Bank, which issued currency until the Bank of Greece was set up in the late 1920s, persist in seeing the central bank as a compar-

Mr Boutos, a hlunt-spoken economist from Sparta, had little in com-mon with Mr George Mirkos, governor of National Bank, a Pasok appointee whose family have been ecutives with the bank for mora than a century. He recently rejected Mr Mirkos's

demand for a Dribbn (140m) cash reward for National Bank from the central bank for helping defend the drachma during last May's currency crisis by raising short-term interest rates above 60 per cent and turning down new loan requests.

Mr Boutos also raised difficulties over another attempt by Mr Mirkos to boost his bank's balance sheet.

The latter demanded that the central

bank should adjust exchange rates in National Bank's favour on foreign currency deposits made by Greeks working ahroad, dating from the time when the central bank kept a tight grip on exchange controls.

The request was considered rea-sonable by central hank advisers, who are keen to sort out apparent irregularities with Greek commercial banks in preparation for meet-ing the Maastricht requirements for a single European currency. However, concern was voiced over

the inflationary effects of injecting some Dr3D0bn of liquidity into the banking system as a result of a oneoff exchange rate adjustment. It was Mr Boutos's decision last month to liquidate Arab Hellenic Bank, a struggling consortium bank set up in the 1970s hy National Bank with Libyan and Knwaiti partners, that particularly irked Mr Mirkos.

The state-owned Libyan Arah

Bank had offered to cover a planned

Dr3bn capital increase for Arab Hellenic Bank. This would have given the Lihyans control of a Greecebased bank, enabling them to open hranches in the EU undar single market rules while remaining under Bank of Greece supervision. The deal hung fire for more than a

year before the US precipitated Mr Boutos's intervention by threatening to include Arab Hellenic Bank in its ban on financial transactions with Libvan nationals. While Mr Boutos's abrasive style

annoyed other bankers, his decision-making could not be faulted until it cama to privatising the Bank of Crete, under central bank supervision as a \$200m (£126.5m) embezzle ment scandal had been revealed

The socialist government is particularly sensitive about the Bank of Crete hecause its owner, Mr George Koskotas, now serving a prison sentence for fraud for his part in the

scandal claimed he was blackmailed hy Pasok officials into providing funds for the party. The allegations contributed to the socialists' fall from power in 1989. fgnoring advice from Pasok, Mr

Boutos sacked the commissioner of the bank, Mr Kostas Kalivianakis, on the grounds that he was obstruct. ing the privatisation process. Moreover, Bank of Crete's losses had soared from Dr1.2bn in 1993 to Dr3.2bn for tha first half of this year. A government official said: "Because of its past, decisions on the Bank of Crete disposal have to be reached by consensus and carried

out transparently."
Mr Boutos's mistake was to appoint as the new commissioner. without consultation, Mr Michalis Sortikos, a private-sector financier reportedly involved in an attempted over of a private Greek bank earlier this month. This raised questiona over a conflict of interest. When news of the decision reached the premier's office, Mr Boutos was asked to resign.

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IENMARK: Financial Times (Scandinaviat L1d. Vismelskafted 42A. DK-1161 CopenhagenK. Telephone 33 44 41, Fax 33 9) 53 35.

remains at helm in Macedonia By Kerln Hope in Athens President Kiro Gligorov of Macedonia has secured a new five-year term, capturing 52.4 per cent of the registered vote in Sunday's presidential and parliamentary elections, according to official results

announced yesterday. His opponent, Mr Ljubisha Georgievski, a theatre director backed by the hardline nationalist internal Macedonian Rev-

olutionary Movement (VMRO). won only 14.5 per cent of the Mr Gligorov, 77, a reformist ex-Yugoslav politician, cam-

tional recognition. However, a high percentage of spoiled hallot papers, many from districts with a large ethnic Albanian population, indicated the tensions underlying

toral registers were incom-

intervention as dollar slips

By William Dawkins in Tokyo

Japanese ministera and businessmen yesterday voiced anxiety over the dollar's latest declina, to a post-war low against the yen. Mr Masayoshi Takemura, the finance minister, called for joint intervention by members of the Group

of Seven to support the dollar. The US currency briefly touched a record low of Y96.55 in Tokyo, before closing at Y96.68, its lowest ever closing price in Japan. Share prices reacted calmly with the Nikkei down only 92.82 points to 19,899.08 and government bonds strengthened.

Business groups repeated earlier worries that the dollar's fall will inflict another blow on the yen value of export sales just as they were beginning to see signs of an export-driven profits recovery.

The current exchange rate is excessive and will hit business confidence, said Mr Masaru Hayami, president of the Keizai Doyukai executives' association. Small and medium-sized businesses, which have not yet benefited from the economic recovery, will be especially hard hit, warned Mr Masafumi Onishi, chairman of the Osaka

The Bank of Japan, which intervened heavily in Tokyo trading, warned in its latest quarterly report that the yen's rise would intensify deflationary pressures, but said that the economy would atay on a recovery track.

The currency market upheavals would ensure that the pace of economic recovery would be moderate, said the report. Demand for Japanese exports, companies' progress in running down stocks of unsold goods and materials and the impact of income tax cuts were the main factors supporting growth, said the bank, How, ever, bank lending was stagnating in spite of moderate

growth in the money supply.

Among the main constraints on growth, the report cited the yen's rise, Asian competition and the decline in Japanese prices, plus companies' continued need to reduce debts.

Mr Kagehide Kaku, director of the bank's research and statistics department, warned that the yen's rise, whils less strong than last year, would limit Japanese companies' domestic investment plans. It adds to the pressure on manufacturers to shift production to cheaper sites in neighbouring

Privatisation flop prompts rethink

By William Dawkins in Tokyo

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iclm i

Japan's finance minister vesterday confirmed that he is to review the government's method of pricing shares in companies to be privatised. Mr Masayoshi Takemura's announcement comes in response to the unpopularity of

the latest privatisation issue, Japan Tobacco, a cigarette making monopoly. "We must seriously look into the situation to see if there is any problem about the way we have taken in the past," he said. The government has been left with 280,000 musold shares out of the 666,666 it wanted to sell, a ehortfall theoretically worth Y287.6bm (£1.8bn) at the Y1.438m per share offer price. Nearly 70 per cent of the

small investors who were allotted the right to buy shares forfeited their allocations because

they felt they were overpriced. This has brought to a head the growing criticism from Japanese as well as foreign

finance ministry's unique method of setting prices for public share issues

The ministry chooses the mid-price achieved in a pre-offer auction of one third of the shares to be issued. Typically, institutional investors and rich individuals tender for shares in this pre-offer auction, so that the mid-price risks being higher than the valuation the remaining two-thirds of investors would place on the company. The system was introduced at the end of the 1980s to prevent frands, in which companies about to be listed would hand out cheap shares to powerful friends.

One alternative to the new rules, proposed by US and European business lobbies in Japan, is to adopt the "bookbuilding" system used for most international issues, in which financial advisers use their discretion to choose a price after sounding out the main poten-

INTERNATIONAL NEWS DIGEST

Keys takes up business role

Gencor, the South African mining house, yesterday announced that Mr Derek Keys, former South African finance minister and a former chairman of Gencor, had accepted the chairman ship of Billiton, the international resources company purchased by Gencor from Shell in July for \$1.3bn (£800m). Mr Keys was regarded as one of Gencor's most successful chief neys was regarded a nouncement, at Gencor's annual general executives and the announcement, at Gencor's annual general meeting in Johannesburg, won approval from shareholders. It will help allay analysts' concerns about the difficulties of consolidating Billiton's diverse operations into a single company. It also ends speculation on Mr Keys' future, after he stepped down as finance minister last month following two years in office. Mr Keys, who will be based in London, said he was very optimistic about Billiton's prospects. Mark Suzman

UK promotes finance in Beirut A delegation from the City of London begins a two-day visit to Betrut on Monday to promote British financial services. The visit is organised by British invisibles, a group promoting UK trade, which last week ran a similar trip to Russia coinciding with the Queen's visit. The delegation is headed by Mr John Manser, chairman of Robert Fleming – soon to open an office in Beirut - and includes representatives from the London Stock Exchange, Schroeder Asseily, Coopers & Lybrand, Samuel Montagu, Morgan Grenfell, Baring International Finance and Crédit Lyonnais Rouse. Mr George Asseily, a Lebanese born director of Schroeder Asseily, says the Lebanese government could be aiming to raise up to \$800m on international

markets over the next year. Jimmy Burns, London Moslem sect leader recants

Al Arqam, the Moslem sect banned by the Malaysian government, was yesterday formulating its response to a TV appearance by its leader. Mr Ashaari Mohamad, in which he appeared to go back on his beliefs. Mr Ashaari, answering questions from a panel of Malaysian Islamic scholars, admitted deviationist beliefs and promised to try to change the ninds of followers whom he had misled. Al Argam, which says it has 100,000 followers in Malaysia and more in the region, was banned in August for spreading what the government called deviationist Islamic teachings. About 55 per cent of Malaysia's population are Moslems. Mr Ashaari and six other Al Argam members were arrested last month under Malaysia's Internal Security Act. Kieran Cooke, Kuala Lumpur

Ecuador minister impeached

Ecuador's parliament has impeached energy minister Francisco Acosta, a key minister in the cabinet of President Sixto Durán Ballén. With 58 out of 72 parliamentarians in favour, Mr Acosta was voted out of office on charges of negligence, mismanagement and illegal conduct. The opposition's accusations centrad on the proposed construction of a \$600m oil pipeline. Raymond Collett, Ecuador

Japan calls for Brazilians wake up from a Real dream

The election over, the consumer boom has been brought to a sudden halt, writes Angus Foster

consumers this week Woke up from a dream they hoped would never end. After several months of falling prices and easy credit, the government announced a package of measures to clamp down on consumer spending

before inflation reignited.
Since the July launch of a new currency, the Real, Brazilians have stocked up on goods ranging from cars to kettles. The Real reduced monthly inflation from 50 per cent to less than 2 per cent. Consum-ers, who found their wages were worth more, went on a

buying spree. Sales of TV sets in August were 75 per cent higher than in the same month last year. Map-pin, a large department store chain, saw sales rise 20 per cent in September and the

illions of Brazilian beginning of October. Poorer consumers found they could suddenly afford canned soft drinks, which fueled a surge in demand that has left supermarket shelves empty as Brazil has run out of aluminium cans.

The government was happy to let the spree go on because it helped the election chances of its candidate, Mr Fernando Henrique Cardoso, who planned the Real's launch. Once elected, the government was free to apply the brakes and cool the overheating econ-

The package of measures involved reducing the period of credit for consumers. Families hoping to buy an oven or washing machine could spread the payments over 12 months. Now they have only three months to find the money.

By yesterday morning, the credit squeeze had started to have its desired effect. Mr Abrahim da Souza, a salesman at a big domestic appliance retailer in São Paulo, said his sales had fallen sharply. "People are still coming to ask for prices but when they hear about the new rules and the shorter credit periods, they are going away without buying

The government's other main target were the consorcios, or informal credit organisations, which are common in Brazil and other developing

anything," he said.

This is how the consorcios work: A family which wants to buy a car, but is not rich enough to get bank financing. goes to a consorcio organiser. The consorcio needs 100 memmonthly instalments each. Every month two members get their car, one by pre-arranged rota, the other by drawing names from a hat. At the end of the period, all the members have a car, and the consorcio organiser is left with a fat

announced a ban on consorcios buying bousehold goods and imposed a reduction from 50 months to 12 months for con-sorcios buying cars. . The results are likely to be dra-

According to the Association of Brazilian Consorcio Companies – which may exaggerate the figures a little to lift its political clout – 8.9m Brazilian families belong to consorcios. Last year the industry recorded sales of \$5.7bn. Before

it had expected sales to reach from buying domestic goods \$7bn this year.

Mr Luiz Favean, who works for one of Brazil's biggest consorcio organisers, Remaza, says sales of the cheapest cars, which cost about \$9,000, will be severely affected by the gov-ernment move. "With a 50month payment period, poorer families earning \$700 to \$800 a month were able to afford a car, but now they are not," be

n the Extra supermarket near São Paulo's Paulista Avenue, many shoppers were angered by the new measures. One woman, who had been mulling over buying a fridge using the store's consor-cio organiser, reacted with frustration then resignation when told thet the government had banned new consorcios

workers from improving our lives," she said. Asked what she would do next, she said: "Waste the money on the lot-

tery instead." This is a popular complaint, and a dangerous one for the incoming president. In recent years, each time a government has managed briefly to reduce inflation, it has triggered a wave of consumer spending which has then led to a clamp-

down. Brazil has the one of the world's biggest gaps between the haves and have-nots and poorer people may feel they have been tricked once again. The dream period which coincided with Mr Cardoso's elecconsumers now face the hang-

IAEA grapples with North Korea accord

Asia Editor

The board of the International Atomic Energy Agency (IAEA) is to meet in Vienna on Tuesday for a first informal attempt to decide whether and how the US-North Korean nnclear agreement can be handled within the framework of the Nnclear Non-Proliferation

North Korea plans to remain within the treaty, from which it had previously threatened to withdraw. But there will be a

delay of several years before the agency can have full access to its nuclear sites and before it can examine spent fuel to verify bow much plutonium the country possesses. This would put it in non-compliance with the standard treaty agree-

ment, the IAEA said yesterday. The agency's belief that North Koree had not disclosed the full size of its plutonium stockpile and its inability to gain access to two suspected processing sites sparked the row which led to yesterday's

agreement between Pyongyang

and Washington. Neither problem has been resolved in the short term.

IAEA members are likely eventually to endorse the deal, but this will require complex legal drafting to ensure the precedent set by North Korea's non-compliance is insulated from the rest of the non-proliferation treaty and cannot be

We're not obbivious to the wider importance of bringing North Korea into the world community," an IAEA spokes-

MAYOR QUITS AFTER 32 DIE IN BRIDGE COLLAPSE

but the fact of life is that our organisation is the guardian of the integrity of the system of

Although the IAEA regards the North Korean case as "a tronblesome precedent", its director general, Mr Hans Blix, also wants to make the agreement a success as it does at commitment to halt its present nuclear programme.

Some European countries are likely to have reservations at Tuesday's meeting about appearing to reward with country that has flouted the treaty's rules.

Strict standards have been set in the past as, for example, in the early 1980s when Ger-many stopped construction of a nuclear reactor that Iran had already paid for. The main voices in the non-

proliferation treaty remain the US, UK and Russia. Once they have formed a consensus. other aignatories, numbering some 160, would probably fall

The mayor of Seoul resigned

yesterday after a 48-metre stretch of a motorway bridge

over the Han River collapsed

during the morning rush bour,

killing at least 32 people

writes John Burton in Seoul.

City anthorities were blamed for poor mainte

of the Songsu bridge (pictured

left), one of the most heavily

Dong-ab Construction, Korea's third largest engineer-

ing company which built the bridge in 1979, said the bridge

may have deteriorated because

traffic use exceeded its design specifications. It said its legal

responsibility to repair any

defects had lapsed in 1984.

Several other bridges in Korea

due to sub-standard work. The

government may soon allow

construction supervision by

foreign companies to prevent future accidents. Authorities

osed in recent years

used in Seoul.

Wonder lightbulb saves energy

US energy department officials are beaming over a new sul-pbur light bulb they have helped develop which could prove "a major technological breakthrough in lighting" The new bulb, invented by Fusion Lighting, a Maryland

company, and developed under a government contract, is being tested at the energy department's Washington headquarters, and could be commercially available next

It is suitable for lighting large areas, both indoors and out, can save large amounts of energy, and delivers more and better quality light.

The light works by heating a small quantity of sulphur inside a quartiz sphere smaller than a golf ball with the same sort of energy produced by a microwave oven. This produces as much light as 250 100

watt bousehold bulbs. In its test the energy department has replaced 240 mercury lamps at its entrance with just two of the new sulphur bulbs, shining into opposite ends of a 240-foot long "light pipe". The light is reflected down the tube, escaping through holes at regular intervals to produce four times as much illumination while cutting energy use by two-thirds.

Another test et the National Air and Space Museum shows substantial, though less dramatic cost savings. It also produces much less ultraviolet light or heat, both of which than conventional lamps.

Because the sulphur bulb has no electrodes, its developers expect it to have a longer life than conventional lighting, although other experts want to see this confirmed in the tests. "Light output does not diminish over time and the life of the sulpbur bulb is poten-tially limitless," the energy department said.

The sulphur bulb also produces a white light containing all the colours of the rainbow, closely simulating sunlight, unlike the harsh colours produced by other electrode-less lamps generally used for street lighting, such as eodium vapour or mercury lamps. The

are expected to increase safety inspections of public infra-Israel shells guerrillas in Lebanon

By Julian Ozanne in Jerusalem

Israel shelled suspected Islamic guerrilla positions in south Lebanon yesterday after a wave of rocket attacks struck northern Israel.

Mr Uri Lubrani, Israel's

co-ordinator for Lebanon, said there was no evidence to suggest a co-ordinated military operation between Hamas, the group responsible for Wednesday'e bus bombing in Tel Aviv. and Lebanon's Iranian-backed Hizbollah or Party of God, which sent five waves of Soviet-made missiles into Israel. The missile attacks forced residents of northern areas into bornb shelters. There were no reports of casualties.

Mr Lubrani said there was a union of purpose between the two groups and Tehran to strike terror in the heart of Israel and derail efforts at Middle East peace. "They are a tumour - a malignant tumour - which pollutes Islam and they are dedicated to the destruction of the peace process," be said.

Amid escalating violencs between Israel and its Islamic opponents inside and outside the Holy Land, a senior Iranian spiritual leader said yesterday the Hamas bus bomb which killed 21 peopls in Tel Aviv showed that peacs pacts between Israel and Arab leaders could not solve the Pales-

Ayatollah Ahmad Janati said peace agreements had no impact on the continuing struggle between Israel and "the Moslem people" and be attacked the Palestine Liberation Organisation for arresting Hamas activists. The PLO, he said. "has turned into an Israeli tool to suppress the

Moslems".

In Israel signs of the deep social divisions left after this week's bus attack were apparent as right-wing Israelis shonting "Death to Arabs" clashed with peace supporters holding a vigil at the site of the attack in the commercial centre of Tel Aviv.

Police had to separate the two groups after several peace. Strip and West Bank and its

Despite the violence Israel reaffirmed yesterday it would continue peace talks with the PLO.

Mr Shimon Peres, the foreign minister, is to meet PLO repre-sentatives in Cairo tomorrow. Officials said the two sides would discuss recent attacks by Hamas guerrillas and ways ensure progress in stalled talks over the long delayed transfer of power from Israeli to Palestinian hands in the

occupied West Bank.
Discussions will also centre on plans to hold Palestinian

The talks will be marred by Israel's closure of the Gaza

recent talk of tough security measures against Hamas. While an opinion poll

showed yesterday that 80 per cent of Israelis favour a permanent closure and stringent security measures against Hamas, some Israelis believe the government must adopt a political rather than military Mr Alon Ben-Meir, professor

of international relations at New York University, criticised Israel yesterday for trying to exclude Hamas from Pales-tinian elections. In an article in the Jerusalem Post, Prof Ben-Meir said Hamas repre-sented Palestinians with genuine political grievances which needed a political solution.

absence of highly toxic mercury also makes a spent bulb much easier to dispose of.

More heat than light in Nepal power wrangle

World Bank is worried about effects of a campaign against a hydroelectric scheme, writes Frank Gray

The World Bank's ebility to continue backing large-scale power projects in the developing world is facing a crucial test as a result of environmentalists' opposition to a proposed Arun III hydroelectric scheme for Nepal.

The government echeme is being strenuously opposed by such non-governmental organisations (NGOs) as the US-based Environmental Defence Fund and the International Rivers Network, as well as the Arun Concerned Group of Nepal.

The IRN and the ACC have announced plans to file a motion before the Bank's newly created three-member inspection panel. The motion will call for the project to be shelved on the basis that it is "in violation of Bank policies and procedures". The motion will be the first

to be handled by the panel, which was set up in the wake of controversy surrounding the Bank's backing for the Narmada Dam mnlti-purpose hydro project in India. Under intense criticism by such groups as the IRN and



Britain's Overseas Development Administration, the Bank last year took the unprecedented step of suspending its support for the 1,450MW dam and irrigation complex in north-west India, which involved the resettlement of at least 100,000 people. This meant the suspension of the remaining \$175m (£107m) of a total of \$450m in Bank commitments to the scheme. The criticism of the Indian

project centred on the way the

resettlement was being handled, including claims of cru-eity to those being resettled, inadequate compensation, lack of Indian government compliance with Bank project guidelines and lack of Bank enforcement of the guidelines. Mr Joseph Wood, the Bank's vice-president for south Asta,

Nepal and Indian projects could not be compared.

Arun III calls for initial construction of a 201MW run-ofriver hydroelectric scheme. which will involve the displacement of only 155 local families and will not require

construction of a reservoir. The fall-out from Narmada and the criticism of Arun are causing worry within the Bank about its future involvement in large-scale energy projects.

Long delays to Arun might prove fatal, senior Bank offi-cials admitted. The Bank had already delayed financing approval several times as a result of outside pressure, and now was boping to get its board approval by November 3, by which time all financing

from partner agencies should have been arranged Under the proposal, the Bank would provide a 30-year, \$140.7m loan to the Nepal Electricity Authority. A further \$34.3m is also available under an existing Bank facility. A total of \$478m would be

arranged through various bilateral agencies from France, Sweden, Finland, Japan as well in a recent interview said the as the Asian Development Bank The Nepalese would contribute \$443m, bringing the total cost to \$1.09bn. Japan'a cootribution to the

fund is crucial for the project but it is moving cautiously because of its embarrassment over its involvement in Narmada and is therefore conducting an independent assessment of the scheme. The protest groups want to

delay the project beyond November 13, the date of Nepalese national elections, and hope to see it supplanted by a more environmentally compatible complex of smaller dam schemes around the country, some as small as 10MW Mr Gopal Siwakoti, ACG

not consulted sufficiently, parliament did not properly debate the project, and Bank and government anthorities been have slow to provide project documents. He added that even if parliament was to approve the project following an open debate, the group would still oppose the scheme in favour of its alternative plan for smaller dams.

spokesman, says his group was

Mr Siwakoti added that tha project was 150 per cent more expensive than comparable power schemes elsewhere and would lead to substantially higher tariffs.

Mr Wood, in response, said that numerous talks had been held in Nepal and abroad. He stressed that the Bank was supporting what was a Nepalese government proposal, not a Bank proposal.

He said that the NGOs' alternative power strategy would produce less electricity and would not be significantly cheaper. There had been moch debate, both in parliament and in public, and the issue had been well reported in the local energy newsletter.

party is not opposed to the scheme," Mr Wood said. There had been some disagreement within the project evaluation team and the original road dasign had been

He emphasised that the country was now in the grip of regular power cuts. The capacity of Arun Dam, to be completed by 2001, would establish a healthy domestic power source, nearly doubling capac-

ity from the current 241MW. "This will make a hell of an impact on tourism, on service industries, light manufacturing such as carpet-making and on agriculture...We want to see more done with social infrastructure. We say electricity

will help." The opponents have made it clear they will work to delay the scheme in hopes of making it uneconomical. The Bank says that a one-year delay has already added \$25m to the cost

of the project. Frank Gray is editor of Power in Asia, a Financial Times

Blair to pledge overhaul of pensions and benefits system

slowdown is not a downblip

in a still-fast trend but the

first sign that activity is set to decelerate over the next

According to the Central Sta-

tistical Office, the service sec-

tor grew at a quarter-on-quar-

ter rate of 0.8 per cent, slightly

higher than its growth rate in

the second quarter. The stron-

gest service sector was trans-port and communications, with

air transport and telecommuni-

cations being particularly

However, the rate of growth in the production industries

has shown signs of slowing.

The office said that over the

three months to August pro-

duction had risen at a quar-

terly rate of 1 per cent, com-pared with a rate of 2 per cent

48,774 86,830 57,489 86,724 16,218 10,866 15,323 17,436 15,685 17,168 18,462 17,214

5,250

Markets, said: "Foreign exporters to the UK are learning the

same lesson that UK retailers

have learned - if they want to

protect volumes they have to

in exports to North America,

one of the most important mar-

decrease prices."

Mr Tony Blair will next week launch a determined attempt to shake off Labour's image as the party of high welfare spending by embracing plans for a radical overhaul of the state pension system and significant changes in social security benefits.

A proposed shake-np of state pen-sions would allow the Labour leader to drop previous spending pledges while sticking to its commitment to raise substantially the income of the poorest pensioners.

By Philip Coggan, Economics Correspondent

A slowdown in industrial

production caused the pace of

economic growth to slip in the

third quarter of 1994, according

to e preliminary estimate

released by the Central Statis-tical Office yesterday. Gross domestic product grew

a seasonally adjusted 0.7 per

cent in the third quarter, down

from a growth rate of 1.1 per cent in the previous three

months. On an annual basis,

GDP was 3.6 per cent higher

than in the third quarter of

last year 1993. The annual growth rate in the second quar-

A decline in the pace of

third-quarter growth had been

widely expected after figures

were published earlier this

Exports to countries outside

the European Union fell

slightly last month after a

record in August, although underlying trends indicated a continuing reduction in the trade deficit.

A fall in exports of aircraft contributed to an overall rise

in the non-EU trade deficit to a

preliminary £349m in Septem-

ber from a revised £289m in

August, as export values feil 1

per cent on the month, the

Central Statistical Office said

But excluding oil and erratic

items such as aircraft as well

ter was 3.8 per cent.

By Motoko Rich

Mr Blair plans to endorse the main principles of a report prepared by the independent Commission on Social Justice which calls for a new drive to tilt the benefit system towards work incentives and for the integration of the tax and benefit

systems for pensioners.

The report, commissioned by the late John Smith, will be published on Monday after two years of study by a group led by Sir Gordon Borrie. It will coincide with the publication by the government of its plans to channel more people back into the jobs market through the replace-

GDP: rise and fall

91 92 93 -94

facturing output in August.

The decline may reduce the

enthusiasm of the Bank of

England for further increases

in interest rates - the pace of

GDP growth in the second

Trade gap with non-EU

countries rises to £349m

£364m last month from an

upwardly revised £389 in

August. Export volumes rose

0.5 per cent and import vol-

In the three months to September the deficit of \$1.03bn

was the lowest since the first

quarter of 1988. Export vol-

umes were at record highs in

the third quarter, up 3.5 per

cent on the previous three

months while imports were up

The growth in export vol-

umes during the quarter cov-

ered all industrial categories

factures, the L5 per cent quar-

terly gain was entirely due to

umes feil 0.5 per cent.

0.5 per cent.

EQUITY AND INDEX OPTIONS

COMPETITIVELY PRICED EXECUTION SERVICE

as precious stones, ships and silver, the trade deficit eased to form sold to Norway. A one-off

ment of Unemployment Benefit with a Joh Seekers' Allowance. The new benefit will be paid for only six months rather than 12 months and will carry a much tougher obligation

on the claimant to seek work.

At a conference to launch the report Mr Blair will indicate that the details must be subject to a wide ranging debate within the party. But he will embrace the central conclu-sion that a Labour government should concentrate resources on moving people from welfare dependency into work.

Gross domestic product ahead by just 0.7% as industrial production slows

Growth slips in third quarter

1989 90 91 92 93 94

quarter was one of the factors

cited as being behind last

month'a rise in base rates from

5.25 to 5.75 per cent. Mr Kevin Darlington, UK

economist at stockbrokers

sale of rapeseed to Japan

boosted the basic-materials cat-

egory by 9 per cent in the three

pared with the previous quar-

hit imports of consumer goods,

particularly cars.

However, sluggish demand

Economists highlighted a fail

in import prices during the

third quarter and said such

price cuts could threaten the

improvement in the trade defi-

In the three months to Sep-

tember import prices excluding

with the previous three

Jaguar car workers' sudden

rejection vesterday of a two-

year pay deal may be partly due to the shop floor's alleged

discontent over the introduc

But many observers also

as the economic recovery gath-

Industry, warned member com-

namies about the dangers of

grip on their non-wage employ-

The car industry in Britain -

the trade unions remain confi-

dent that the company's 28,000

employees will accept a two-

year pay offer negotiated for them last week.

This involves 3.7 per cent

basic rate increases from

November 1, with a further 4

per cent, or the equivalent of

the inflation rate if higher,

from November 1 1995, Rover

workers with a full attendance

record are to receive payments

of £150 in their pay packets this month through the com-

of wage-driven inflation.

ment budgets

work to meet rising orders

The planned pensions change,

involving the establishment of a "minimum retirement income" for those entirely reliant on the state, would allow the party to drop its past commitment to re-establish a past commitment to re-establish a link between state pensions and earnings. That pledge – made at the last three elections – would involve several billions in additional public

By focusing on providing a "top-up" for the poorest 2m pensioners through the guaranteed mini-mum income. Mr Blair could justify downgrading the role of the state pension in meeting the party's social

Hoare Govett, said: "In our in the second quarter. There view, the third-quarter were signs that growth had

VALUE OF TRADE WITH NON-EU COUNTRIES

68,490 4,656
66,724 9,265
76,866 1,838
71,436 2,107
77,746 1,501
77,714 1,022
5,701 451
5,703 842
5,697 408
5,793 384
5,705 289
5,706 348

Balance of payments basis, seasonally adjusted (On)

Exports Imports Balance Exports imports Balance

slowed even further in Septem-

ber. It was likely that, between

the second and third quarters production grew by less than

The Central Statistical Office

said the slowdown in indus-

trial production was partly due

to a weak engineering sector

and partly reflected the effects

of the Milford Haven fire and

other oil-refining problems. Rising North Sea oil and gas

production have been an

important part of the recovery.

However, even if oil and gas

are excluded, GDP grew 0.7 per cent in the third quarter and

was 3.2 per cent higher than in

the same period a year ago. Overall GDP is now 2.6 per

cent above its pre-recession

peak in 1990, or 1.8 per cent fi oil and gas are excluded.

40.887 '48.124

13,583 14,579 13,263 15,277 13,571 15,176 13,965 15,143 4,511 5,079 4,494 5,033 4,566 5,046

ber, exports to North America

fell 4.5 per cent compared with

the previous three months

after rising 2.5 per cent in the three months to August. But

the CSO said this was mainly

Others said the growth in

exports to developing econo-

mies was more significant.

industry may be courting wage-driven inflation

North America in June.

57,415

15.178 15.143 5.079 5.053 5.046 5.020

50,036

-7,437 -7,379

-1,396 -1,954 -1,807 -1,178 -568 -569 -480

0.7 per cent.

amhitions. The proposed switch, however, will attract Conservative claims that all pensioners will be means-tested because everyone would be obliged to complete a tax/ benefit form on retirement.

The commission's recommenda-

tions on promoting work rather than welfare focus on changes to the unemployment, income support, and family-credit benefits to smooth out the poverty traps which at present discourage claimants from reentering the employment market. Among the specific proposals is a scheme under which benefit pay-

element which the unemployed would be allowed to keep when they took part-time or low-paid jobs. Another suggestion would be to allow the jobless to keep all of their unemployment benefits for a limited period after returning to the labour market.

The report is expected to recom-mend that a future Labour government retain the principle of universality for the state pension and child benefit. But it leaves open the option of extending the tax net to cover the

last night called for a wideranging independent inquiry into MPs' outside interests as an influential Commons committee prepared to consider the alleged non-registration of a 1987 visit by Mr Neil Hamilton, corporate affairs minister, to a

Sir Norman said: "We do not need a committee of inquiry to tell us that putting down questions for payment is wrong; that is self-evidently the case. "But it is quite clear that

... some politicians do not intend to let the matter rest there. We should not allow the agenda to be set by political muckrakers. We should [recognise] that there is legitimate public concern."

made a formal complaint, demanding a Commons investigation into Mr Hamilton'a hotel visit, alleged to have been paid for by Mr Mohamed Fayed, owner of the hotel and Harrods, department store. Johnson Smith, Tory chairman

Mr Michael Mates - the former Northern Ireland min-ister who left the government over his links with fugitive inessman Mr Asil Nadir is considering suing some newspapers for libel.

Solicitors Denton Ball, for Mr Mates, said yesterday that a number of articles had contained allegations of parliamentary or financial irregular-ity or moral impropriety by MPs and some had referred to

Mr Mates in this context. "Mr Mates takes the greatest exception to such inferences since at the time of his resignation both the prime minister and the attorney-general specifically stated that be had acted with complete propriety," Denton Hall said.

Guardian newspaper about the visit by Mr Hamilton and his wife, Mr Carlile said the "nonregistration of that interest has ... never been investigated or ruled upon by your commit-tee", despite "reports to the

contrary".

Downing Street said on Thursday that Mr Hamilton's visit had been looked at by the committee. Tory party managers had been told by the chairman that it was taking no action. But senior Whitehall officials have acknowledged that the committee had not

produced a formal report. Mr Terry Lewis, Labour committee member, said yesterday that Bob Cryer, the late Labour MP, had raised Mr Hamilton's hotel hill in committee but his recollection was that there was

Mr Carlile's letter will be discussed by the committee at its next meeting - a date for which has yet to be set.

Hatchett, editor of Incomes

Data Report, yesterday. The steady upward pressures

on pay are by no means con-

fined to the car industry. A

number of settlements over

recent weeks suggest rises are

moving above 3 per cent as

companies adjust their offers

under the threat of industrial

● A 3.5 per cent plus £325 lump sum deal from October 1

for manual workers at British

Aerospace's plant at Woodford

in Cheshire after a 24-hour

Anglesey Aluminium has

increased pay by 4.7 per cent at

its Holyhead plant after an ear-

lier offer was turned down by

Systems in Motherwell has

reached a two-year deal with 4

per cent from this month plus

1.5 per cent next March and the next deal to be from March

Employees at Westland

conflict. These include:

stoppage by operators.

the workforce.

Honeywell

Rebels set to scupper Royal Mail sale

Tory opponents of the privatisation of the Royal Mail yesterday stepped up their campaign to force the govern ment to abandon the proposed sale by tabling a formal Com-mons motion demanding it be kept in the public sector. Philip Stephens writes. With a divided cahinet expec-

ted to decide next week whether to press ahead with the sale, eight Conscrvative MPs signed an early day motion voicing concern that privatisation would lead to clo-

sures of rural post offices.

The opposition of the eight
MPs would be sufficient to overturn any legislation in the Commons where the government has an overall majority of just 14.

Tory party managers have warned Mr John Major that several other MPs are also threatening to vote down the privatisation plan in favour of moves to keep Royal Mail and Post Office Counters intact in the public sector. The rebels believe the government could meet mounting international competition by giving the Post Office greater commercial free-

Mr Richard Ryder, the chief whip, and Mr Tony Newton, the leader of the House, are both understood to have told the prime minister they could not guarantee sufficient votes. But Mr Michael Heseltine. trade and industry secretary, and Mr Kenneth Clarke, the chancellor, are insisting that the government should face down the rebels. The two ministers, backed by several cabinet colleagues, believe that enough opponents can be won over to guarantee passage of

ABRIGUES SAN

the legislation. Cabinet supporters of the sale are arguing also that an embarrassing U-turn over the issue would allow the opposition to brand Mr Major's government as a "lame-duck" administration unable to win its business in parliament. They believe some Ulster unionist MPs, who are formally opposed to the sell-off, might decide to abstain on any key

Newspaper cuts 'not predatory'

Sir Bryan Carsberg, directorgeneral of Fair Trading, yesterprice cuts at The Times and The Daily Telegraph amounted to predatory behaviour. Sir Bryan said an inquiry

had not established a case for formal action under competition legislation. The cuts have had wide-

ranging effects on other newspapers and did not appear to be targetted at a particular title, the OFT decided. The latest circulation figures

show that average sales of The Times between April and September were 549,770, a rise of 46.4 per cent on the same period last year. Apart from a small seasonal dip in August the paper's sales rose in each of the past six months and totalled 607,143 in September.

The 30p Daily Telegraph appears to be stable at 1.091m, while The independent's average circulation for the sixmonth period was 276,259, a drop of 17.78 per cent on the same time last year. Since it cut its cover price to 30p sales have risen by about 30,000. In August sales were 289,403 while last month they were

Staff at Yorkshire TV agree terms

Employees of Yorkshire Television who had resisted new cost-cutting terms and conditions agreed to them yesterday. The terms include an end to premium overtime rates and flexible rostering.

Jury out for night The jury in the Brent Walker fraud trial spent a fifth night in an botel last night after failing to reach verdicts yesterday. It will resume its deliberations today

Fowler urges probe over MPs' interests

By David Owen

A former Tory cabinet minister luxury Paris hotel.

Sir Norman Powler, who stepped down earlier this year as Tory party chairman, said the inquiry should be modelled on the Cadbury committee set up to consider questions of cor-

Sir Norman told his constituency association that it had been "a bad week for parliament" and action was needed to assure the public that MPs' conduct was governed by

"proper and sensible rules".

Sir Norman's remarks came as Mr Alex Carlile, Liberal Democrat MP for Montgomery,

of the select committee on members' interests, Mr Carlile

referred to reports in The

Mr Jonathan Loynes, UK kets for British products. In economist at Midland Global the three months to Septem-

Jaguar workers send a restive signal Robert Taylor on why observers fear the car

tion of compulsory overtime believe it reflects the first signs of a restive mood across parts of the British workplace ers pace and workers start to improve their bargaining strength. Earlier last week Mr Howard Davies, the director-general of the Confederation of British increasing unit labour costs and urged them to keep a firm beyond Jaguar - is turning into a cause for concern for those worried by the dangers Both the Rover group and

Jaguar workers' rejection a pay deal may be partly due to discontent over compulsory overtime

pany's profit-share scheme. The size of the deal has surprised some observers but it reflects the new optimism in the group about its market

Two other car companies Nissan and Peugeot Talbot -are due to seek two-year agreements with their unions shortly and they are under pressure to reach deals in

line with that of Rover. The rest of the vehicle sector is not involved in wage negotiations this year. But Ford is due to increase pay by at least 3.5 per cent next month in the second stage of a two-year wage egreement while Vaux-hall paid out a 3 per cent improvement in September in a similar two-year deal. Both Honda and Toyota have

per cent respectively. But the widespread use of

two-year wage agreements in the car industry is huilding leap-frogging tendencies between the companies. "A 4 per cent rise is already a benchmark for next autumn's

one-year agreements and neither expire until April. This year their employees received pay rises of 3.7 per cent and 4.3

Helicopters have received 3.25 per cent pay increases after a number of groups staged one and two-day strikes. Britannia Airways

improved its pay offer for 1,400 cabin staff after a strike ballot vote with a guarantee no rises would be less than 3 per cent. Mr Davies sees this as a "creeping" rise in the wages trend above the inflation rate and level of productivity

Waldegrave plans tough 'green' farm measures

By Alison Maitland and Deborah Hargreaves

Mr William Waldegrave, the agriculture minister, is discuss-ing controversial proposals to force European Union cereal farmers to adopt environmentally friendly practices in return for the £8.1bn payments they receive each year as compensation for cuts in grain

Mr Waldegrave described the

proposals - which would need

cated. "I'm sure it's right and sensible for farmers to widen the hase of their subsidy to take account of environmental conditions. It helps to explain to the public why they are paid," Mr Waldegrave said. He added there would be a lot of hard negotiating before headway was made on the idea. He will also face opposi-

complete revolution" in how a

large part of the European

Union's farm spending is allo-

approval from Brussels - as a tion from British farmers who stock farmers as a unilateral fear environmental conditions would not be implemented by other EU countries, leaving the UK at a disadvantage.
The National Farmers' Union

said: "Our primary concern is the extra cost such a policy would impose on UK farming husinesses when we are com-peting with other European countries which don't have those costs " Britain has already imposed over-grazing penalties on live-

Protection of Rural England

sentatives of the National Farmers' Union, the Country Landowners' association, which represents many farmers; and conservation bodies, including the Council for the

and the Royal Society for the Protection of Birds, earlier this measure. Although Mr Waldegrave said he would like to see week to discuss how environmental conditions could be environmental conditions applied across the EU, he did not rule out applying them uniattached to cereal payments. The discussions centred on a Ministry officials met repre-

heme that would involve farmers protecting environ-mental features of their land such as hedgerows, ponds, dry-stone walls and wildlife habitats in return for subsidies. But Mr Waldegrave wants to avoid too much bureaucracy or intrusive inspections.

Mr Ben Plowden of the Council for the Protection of Rural England said: "As an absolute minimum, while farmers are in receipt of substantial sums of public money, they shouldn't be causing further damage to the environment." He added that 3.500km of hedgerows each year are still being lost in England and Wales, while the Royal Society for the Protection of Birds has warned about the decline in common farmland birds.

For further information please contact Philip O'Neill Tel. 071 329 3333. Fax: 071 329 3919 INVESTORS - TRADERS - CORPORATE TREASURERS SATQUOTETS - Your single service for real time quotes. Futures * Options * Stocks * Forex * News * Via Satellite LONDON +71 329 3377 LONDON +71 329 1377 NEW YORK +212 2696 686 FRANKFURT +4969 44087 CLIENT TRADING ROOM BERKELEY FUTURES LIMITE 38 DOVER STREET, LONDON WIX 3RB TEL: 071 629 1133 PAX: 071 495 0022 CALLING ALL CURRENCIES - 0839 35-35-15 Call now for the latest currency rates, with 2 min updates 24 hours a day. For details of our full range of financial information services, call 071-895 9400. Calls are charged at 39/min cheap rate, 49/min all other times. Futures Pager Ltd, 19/21 Great Tower St. London EC3R 5AQ. Futures Call TAX-FREE* SPECULATION To obtain your fire Golds to how your Pinancial Bookmains can help you, call Michael Murray or lan Joulden on 071-828 7233 or write to ur 1G Index Pic, 9-11 Grouvenor Gardens, London SW1W 08D. ullerMoney - the Global Strategy Newsletter from FOREXIA FAX \$ £ Dm ¥ A 1 YEAR PUBLIC RECORD OF ACCURATE SHORT TERM FOREIGN EXCHANGE FORECASTING NOW, FROM ANYWHERE IN THE WORLD, GET TODAY'S VERY LATEST ISSUE OF THE FOREIGN FAX FROM 0730 GMT EACH WEEKDAY, INSTANTLY DELIVERED TO YOUR FAX USING THE HANDSET ON YOUR FAX MACHINE DIAL 444 81 332 7425 IN CASE OF DIFFICULTIES CALL US ON: 444 81 9488318 One Chart Equals One Hundred Stories 24 HOUR OREIGN FACHANGE CURRENCY MANAGEME CORPORATION PLC 11 Old Jewry London EC2R 8DU Tel: 071-865 0800 Fax: 071-972 0970 FOREX . METALS . BONDS . SOFTS Objectivo analysis for prafessional investars 0962 879764

Paisley condemns PM's initiative

By John Murray Brown

The Reverend lan Paisley offered his own typically unflattering interpretation of Mr Major's speech yesterday, accusing the prime minister, not for the first time, of reneging on his word. If Ulster's jig-saw is ever to be complete, Mr Paisley and his Democratic Unionist party represent one piece that still has to find a

In contrast to the warm welcome from across the commu-nity for Mr Major's initiative to hring Sinn Féin into exploratory talks, a statement by Mr ey issued from the DUP's Belfast headquarters even before the prime minister had made his address at the Europa Hotel - described the speech as "another victory for the IRA".

There are no doubt some people in the province's iso-lated rural communities who share this analysis. But as the peace process has inched forward, the perception grows that it is Mr Paisley, not so much hardliners on the nationalist side, who remains the obstacle to a agreement on a

lasting peace.
Mr Paisley has warned, often in apocalyptic terms, that the Downing Street declaration and the ensuing peace process has put the union under threat. He, more than other Protestant politicians, is implacably opposed to any suggestion that Dublin has a role to play in Northern Ireland - the

tutions envisaged under the framework document now under discussion between Lon-don and Dublin. As for reform of the 1930 Government of Ireland Act, this is almost an article of faith.

There are some who believe thet Mr Paisley's deputy, the MP Mr Peter Robinson, may yet emerge as the voice of reason in broking a way to bring Mr Paisley in from the cold. But if thet is the case, Mr Robinson's response to yesterday'a announcement did not suggest

a change of heart
Increasingly Mr Paisley
appears out of step. While Mr
Major has assiduously courted the support of Mr James Molyneaux'a Ulster Unionists, he has made little effort to win over Mr Paisley, whose intem-perate outbursts, culminating in his expulsion from Number 10 on September 7, have made him appear increasingly iso-

The tacit hacking of Mr Molyneaux has been crucial in determining the pace at which Mr Major has proceeded. Even yesterday, in a statement aimed largely at nationalist opinion, Mr Major held out comething for the unionists, with the proposal to restore what he called "local accountability". Dublin welcomed the proposal, but emphasised that this would be part of an overall

Exactly how Mr Major's proposed assembly will be differ-

than, earlier failed experiments in local administration is hard to imagine. Here again, unionists are split. The DUP has long favoured a complete devolution of powers, but is boy-cotting the talks being held with Mr Michael Ancram, the Northern Ireland minister. Mr Molyneaux on the other hand has long argued that devolu-tion is a dilution of the union

and a step towards separation. The road to a successful agreement is still strewn with pitfalls. If the main challenge for both Dublin and London is to get the Ulster Unionists and the moderate nationalist Social Democratic and Labour party together, moving ahead with-out Mr Paisley is fraught with

It is doubtful that Mr Paisley and his supporters can cause the massive union disruption of the 1970s strike. But the heady Paisley cocktail of unionism and fundamentalist Protestantism still commands considerable popular support, particularly in rural areas of Antrim and North Down, his stronghold.

In Dublin at least, officials believe it is now the next hig hurdle to peace to win the acquiescence if not the explicit support of Mr Paisley. The danger for Mr Molyneaux is that with Mr Paisley outside the process, Mr Molyneaux will face a harrage of attack. If the peace talks fail, Mr Paisley could re-emerge as the surviv-ing stalwart of unionist inter-



Protesting Democratic Unionist councillor Cedric Wilson was dragged away from the Europa Hotel

Major takes risks to boost confidence

Political Editor

Recognition yesterday by Mr John Major that the IRA and its loyalist counterparts intend a permanent end to violence was accompanied by an extenaive package of measures to restore normality to the prov-ince after 25 years of terrorism. In his speech to the Institute of Directors in Belfast, Mr Major admitted he was taking risks on the IRA's intentions after its refusal to spell out explicitly that its campaign of violence had ended for good. But he made clear that his aim was to create an environment in Nortbern Ireland which would make it difficult if not impossible for the IRA to return to violence.

Alongside the government'a "working assumption" that the IRA ceasefire was intended to be permanent and its willingness to open exploratory talks with Sinn Féin before the end of the year, Mr Major listed a series of immediate confidencehuilding measures:

 All border crossings between the north and the republic are to be re-opened; The exclusion orders on Mr Gerry Adams and Mr Martin McGuinness of Sinn Féin have been rescinded. They are free to travel anywhere within the UK, provided they remain committed to the democratic process. Other exclusion orders will remain in place for the

time being; • Troop levels will he reviewed in relation to the threat but the government's "firm objective" is to return to exclusively civilian policing;
 The government will enter "at the appropriate time" into

contact with loyalist paramilitaries and consider how the interests of such groups can be represented in the political talks process: A conference in Belfast in

December involving investors from Britain, Europe, America and the Far East will aim to hoost the flow of inward

A task force is developing a new European Union initiative for Northern Ireland which will result in a substantial

injection of "new money". The prime minister said that the proposed talks with Sinn Féin would rest on the assumption that it continued to estab lish a commitment to "exclusively peaceful methods" and on the IRA's continuing to show it had ended terrorism.

Over the medium term there could be no assurance of peace until the paramilitaries on both sides had handed over their weapons. He intended to develop a joint approach with the Dublin government on the "deposit" and "decommissioning" of guns and explosives.

In a reference to the demands of republican groups for "self-policing" Mr Major insisted: "No groups will be allowed to take the law into their own hands. All sections of the community must have confidence in the police."
Turning to the framework

document under discussion with the Republic to establish new relations between the two governments and between the north and south. Mr Major said it would be based on an "unshakeable" constitutional guarantee to the people of Ulster that they would decide their own future. It would be a basis for negotiations rather

than a blueprint.

Meanwhile the British government would produce its own proposals for devolution of political power to a North-ern Ireland assembly. The restoration of local accountability meant neither a purely inter-nal solution, nor a return to domination of one side by the other, would achieve this.

Finally - and importantly Mr Major reiterated that all proposals for the province's political future would be published before any negotiations between the political parties. The eventual settlement would be submitted to a referendum in the province.

Overall timing remains in doubt

By John Murray Brown

The prospect of exploratory talks with Sinn Fetn starting before the "year is out" is about the only concrete date in Mr John Major's speech to the Institute of Directors in Bel-

fast yesterday.

The timetable from here is

Mr Major and his Irish counterpart Mr Albert Reynolds are due to meet at Chequers on Monday to inject new momentum into the peace process. The Irish government in particular is keen to press ahead, and hring Sinn Féin into the democratic fold, concerned that a delay could play into the hands of hardliners in the movement opposed to the

Mr Reynolds expects to have his cross party Forum for Peace and Reconciliation under way at the end of the next week. One view in Duhlin is that the forum may turn out to be a useful halfway house for Sim Fein, in its spell of democratic quarantine, while the painstaking verification of the ceasefire and negotiation over surrender of IRA arms

The next crucial date will be the publication of the framework document, which will seek to outline the "shared understanding ou the elements of a settlement that is likely to receive widespread acceptance hy the people of Northern Ireland". Officials hope it can be concluded by the year

The forum is expected to sit through to the autumn next year. If there is a UK cabinet reshuffle before the general election and a change in the secretary of state, that could delay the process for six months. With local elections in Northern Ireland in the meantime, one view is that substantive talks involving the British government and Sinn Féin may not take place

Work population faces mixed fortunes

By Our Belfast Correspondent

Ulster's so-called peace dividend will have mixed fortunes for Northern Ireland's workforce.

While the Industrial Development Board, the province's main jobs agency, has recently reported auccesses in attracting overseas investment, a number of local companies are experiencing difficulties in securing orders.

Harland and Wolff, the Belfast shipbuilder which currently employs 2,000

to build a ship at a loss in order to protect continuity of employment.

Province-wide estimates suggest that employment in the security sector, which includes the Royal Ulster Constabulary and private security firms could fall by as much as 20,000. Conversely, the tourism industry in Northern Ireland is expected to thrive

on the prospect of peace. At present the industry employs about 10,000 people and is worth about

people, has said recently it is prepared £130m to the local economy. It is felt will bring more costs than benefits these figures could double if peace is

> It has always been clear that the achievement of peace would lead to a reassessment of public spending priorities in the province.

Yesterday the Northern Ireland Economic Council, in its Autumn Economic Review made clear that the government should not consider removing money from Northern Ireland. Its report said: "To argue that 'peace'

seems perverse in the extreme ... What is important is that the adjustment problems that will arise are dealt with carefully, sensitively and gradually.

"With regard to the substantial opportunities that would open up in the longer term, it is imperative that these are exploited to the full."

The report maintained that the latest economic indicators appeared to suggest that local manufacturing output was continuing to outperform Britain.

Sinn Féin aims to unite in unarmed struggle

An early public reaction from Sinn Fein vice president Mr Martin McGuinness yesterday gave a broad welcome to Mr Major's announcement as a further step towards peace. "A move in the right direction. It is quite clear we must build up on all this," he said.

However, intentions notwithstanding, there is no certainty yet that the latest measures will banish for ever the prospect of a resumption of IRA violence. This was the view yesterday of republican insiders who are sensitive to the strains within Sinn Féin and the IRA after the IRA's organisation's ceasefire declaration seven weeks ago.

In the coming days, the Sinn Féin leadership will aim to reassure rank and file republicans that Mr Major'e amouncements show there is political advantage to be gained from a cessation of violence.

What Sinn Fein leaders have dubbed the "unarmed phase of the struggle" has paved the way for a reopening of border crossings, the prospect of exploratory talks with the British government by Christmas and the lifting of exclusion orders on Mr McGuinness and Gerry Adams, the party's

These measures have been high on the list of republican nands since the ceasefire. But the Sinn Féin leadership realises that it has to continue to be seen to be gaining politi**Jimmy Burns** says hardline elements could still jeopardise the ceasefire

cal ground in the coming weeks if it is to contain the restlessnesa of hardline elements linked to the IRA. If and when it comes to talks with the government it will aim to secure further concessions from the British government. At the same time it will seek to avoid taking any further unilateral moves towards demilitarisation which may risk a damaging split within

Within republican circles, there has been some optimistic - both before and since the IRA ceasefire - of a new, strengthened nationalist consensus emerging from the cur-

the republican movement. Tha

IRA is not about to give up its

rent peace process.

At the same time, there is a sceptical view that the British government is stringing the IRA along, holding out olive branches while aiming to undermine the republican movement both politically and

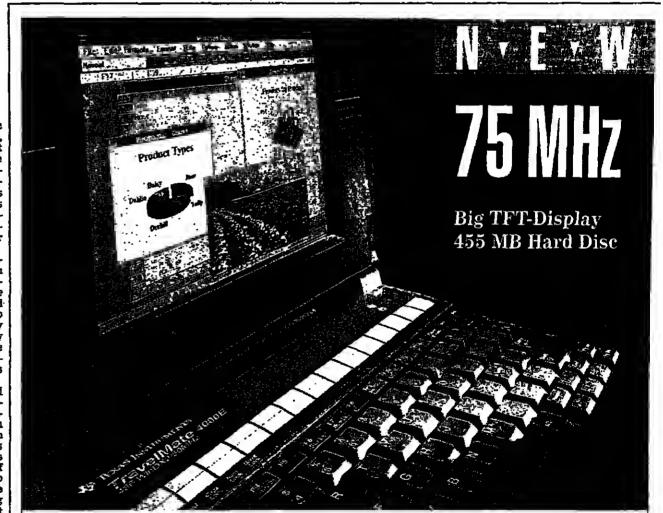
Writing in the latest issue of the influential Irish political magazine Fortnight, former IRA political prisoner Mr

Anthony McIntyre says: "The ceasefire has come and gone, and the British have not gone . . . while an imaginative step by the republican leadership, it will be a major achievement for them to avoid this ceasefire being more disastrous than the last. The lesson of history is simple; prolonged cease-fire sounds the death knell for

republican struggla." For the moment, there is lit tle indication of the republican leadership abandoning its public commitment to the peace process. Both Mr Adams and Mr McGuinness are thought to still be holding the IRA army council to the belief that any resumption of violence in the immediate future would torpedo the chances of talks before Christmas.

But it is widely recognised that the next stage of the process will severely test the limits of republican patience. In his public appearances in recent weeks, Mr Adams has noticeably been increasing his demands for a withdrawal of British troops. He has also been uncompromising on the question of consent, rejecting the unionist position that Northern Ireland's future should be settled by the people of the province.

After yesterday, the stage may be set for early talks between Sinn Féin and the government. But republicans are gearing up for some hard bargaining from which they expect results not defeats.



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City defence to stay for two years

The Corporation of London yesterday said it expected security measures to protect the City from IRA attacks to stay in place for "two to three

years".
Mr Michael Cassidy, the chairman of the Corporation's policy and resources committee, said: The intelligence we have is that the IRA is continuing to move weapons and equipment around, and the City of London remains a prime potential target, much more than any other part of

the country. While there has been a relaxation of armed police checks in London since the ceasefire, Mr

Cassidy said that businesses and the police remained in favour of making a restrictive traffic scheme permanent and of continuing lower profile searches of suspicious vehicles entering the City.

Mr Cassidy said the annual cost of these security measures of between £3m and £5m were "totally manageable". The corporation has an annual rate collection of £700m.

The position taken by Mr Cassidy reflects a private consensus in the security forces that the possibility of IRA terrorism resuming in the future cannot be ruled out. In the case of London, there is the extra consideration being given to the resumption of viothe threat of terrorist action by extremist Arab groups. The government's concilia-

tory announcement yesterday is thought to have been based on advice from MI5, the intelligence service, that the IRA's internal discipline is holding around the ceasefire although the possibility of maverick units carrying out a terrorist attack has not been ruled

One senior anti-terrorist officer said: "The situation is still too fragile. Much as we'd like to say it's all over we cannot risk lowering our guard." Of great concern is the IRA's large stockpile of arms, much

of which remains hidden in the

includes several hundred rifles and grenades, numerous mortars, and enough commercial and home-made explosives to provoke considerable tactical destruction on both sides of the Irish see for years to come. While the IRA refuses to

remain determined not to allow their military efficiency to be weakened by the peace process. The IRA may not be bombing, but its capacity to bomb is firmly intact.

close watch on the movements of suspected terrorists. While some IRA "volunteers" are thought to be enjoying a period of peace, others

hand its armoury over, British

intelligence is trying to keep a

By Alison Smith

A new area of concern about pension mis-selling will be opened up next week when a report from the City's chief regulator highlights the position of people who hought personal pensions and did not join their

Pension sales agents and advisers could face significant compensation claims for selling personal pensions when a better option for customers

BT and

rivalry

Mercury

for long-distance and interna-

The figures are based on

what BT claims are typical

calling patterns, and include

the range of discounts avail-

able to BT customers which

Mercury usnally disregards

when making its own pricing claims of "guaranteed"

The figures also assume that

Mercury customers continue

to make their local calls via

BT. Mercury has no local net-

work and advises its custom-

ers to use BT for local calls.

Analysts bighlighted the comparison with the US, Aus-tralia and New Zealand, where

new telecoms companies com-

peting with dominant opera-

tors have come under increas-

Ing pressure as their initial

success bas forced the local

"giant" to cut its prices and

market itself more effectively.

coms analyst at Robert Flem-

ing, the brokers, said: "Mer-

cury is now under such

pressure that it cannot afford

to maintain the same price dif-

BT has been forced to cut its

prices sharply by Oftel, the

telecoms regulator. Over this

year its prices will have fallen

by an average of about 12 per cent before taking account of

inflation. Each BT price cnt

puts pressure on its competi-

Mr Michael Hepher, BT man-

aging director, said: "This

we beat BT hands down."

Barbara Bush on 071 215 4967

tors to follow suit.

are better."

ferentials as in the past."

Mr Laurence Heyworth, tele-

tional calls.

savings over BT.

would have been to go into an occunational scheme.

The Securities and Investments Board, the financial watchdog, is expected to publish on Tuesday its guidelines for how life companies and advisers should compensate customers who have suffered from poor advice to take a personal pen-

The original focus of its work was the possible mis-selling among the 500,000-plus pensions sold to people examined did not meet regulators' standards.

But the work expanded to include people who were in their employers' pension schemes and were advised to opt out and start a personal pen-

Results of a study commissioned

right.
Life insurance companies and advisers say that the number of cases where people were advised to leave an occupational scheme to which they already belonged is likely to be relatively low, because be reviewed and where compensation must be paid will be what SIB

could have joined an employer's scheme but had not done so, simply by failing to check properly whether they would qualify for membership. A critical factor in determining the number of cases which have to be reviewed and where compensa-

transferring a lump sum out of a scheme run by a former employer. Concern about this aspect of pensions had been sparked by a study signs had been sparked by a study suggesting that nine out of 10 cases agreed to identify personal pensions sold to "non-joiners" as a problem in its own joiners" as a problem in its own pensions wrongly to people who was to remain outside the occupa-

These cases of "non-joiners" are likely to be hard for life companies and advisers to identify from their files, which could make it expensive to find all those who should qualify

A stiff one for drinks lobby

With one month to the Budget and two to Christmas, the debate over alcoholic drink duties and cross-Channel shopping is becoming as clamorous as a Saturday night pub "dis-

"Tve never seen a lobbying ear like it," said a senior

drinks executive. Wadnesday brings the first public opportunity this season for advocates of duty cuts to make their case. The Brewers and Licensed Retailers Association (BLRA) is appearing before the first ever hearings on the subject held by the Treasury select committee of backbench MPs. The committee, which has received some 50 briefing papers on the topic, hopes to publish a report before the November 29 Bud-

Brewers, along with distillers, pub and off-beence owners and other interested parties, are taking a different tack this year. In the past they have argued narrowly for a cut in excise duties on the grounds of equality of tax treatment and as a necessary stimulus to

This time their pre-Budget submissions to the committee and Treasury have tried to quantify the wider economic and social damage they claim the rising tide of drink imports is causing. Switching to the offensive, they have also sought to show the broader economic benefits of a duty

Cheap imports of lower duty beer from France now satisfy 3.3 per cent of UK demand. equal to nearly 15 per cent of full-time equivalent jobs

be difficult to persuade the chancellor to cut excise duties

beer drunk at home, the association estimates. As imports rise, pubs and clubs will be closed and jobs lost. "The British way of life will have been changed and the pub-going habit will be a thing of the past," says The Real Alternative, the association's submission to the Treasury.

Moreover, the 1993 lifting of

tigators say that it is a focus of interest for organised crime".

The solution, the brewers where, the brewers commisley Centre to assess the wider stimulus of duty cuts.

would be created or saved. Money saved on the unemployed plus taxes gained from higher economic activity would more than make up for

The government is clearly sceptical about some of the

The association has taken

and how much is sold illegally to third parties is even harder

Yet, the import volume may only be half the association's estimates, according to Mr lan Pressnell of Plato Logic, a drinks industry consultancy. He bases his estimates on primary sources such as the volume of French and Belgian beer production and the number of cross-channel vehicle and passenger trips.

He and other critics of the drinks industry figures are also sceptical about the extent to which a 15p cut in duty would encourage people to drink more. Beer consumption has been falling because of changing habits rather than

rising taxes, he says.

Given the complexities of the arguments and the government's reluctance to lose revenue or to gamble that a duty cut would stimulate the drinks economy, lobbyists are trying a twin-tracked approach of tackling the EU as well.

Duty rates vary not only between countries but also between types of alcoholic drink, creating substitute markets and competing products.

Trying to encourage continental countries to raise their low duty rates a notch may prove easier than persuading the British government to cut its rates. But however strong the arguments are in London and Brusseis, movement in this Budget is considered highly unlikely.

With nine drink-shopping weeks to Christmas, bargain hunters had better make their

Tunnel hit by further setback

The Chaunel tunnel project suffered another emburassing setback yesterday when a high-speed Eurostar train carrying the heads of British Rail and Eurotunnel suffared a break down, Charles Batchclor writes.

The £24m express train carrying Sir Bob Reid, British Rail chairman, Sir Alastair Morton, co-chairman of Eurotunnel, and 350 other guests developed a fault while travelling through the tunnel and was halted at Calais.

A replacement train was fetched but the travellers, including a party of 50 school children who had won a competition, were more than two hours late arriving in Paris.

This is the third time within

a week that a Eurostar train bas broken down. On Thursday a train due to carry 400 journalists from London to Paris on an inaugural run had to be taken out of service while on Friday last week a train on a test run broke down in Kent. European Passenger Services, the British partner in the railway consortium which runs Eurostar, said that early tests lasting several months had thrown up few faults but new ones were now starting to

emerge. An official denied there was a dasign fault though she acknowledged that the Eurostars were complex because of the need to run on different power systems and signalling networks. The three recent breakdowns each had a different cause.

Newcastle starts schools campaign

A £1.5m campaign to raise educational standards in the West End of Newcastle was launched yesterday.

Newcastle City Challenge, part of the government backed scheme to regenerate problem urban areas, says it is the first such project in the country. More than a third of children in tha targeted area enter secondary school at 11 with a reading age below that of an average eight year old.

Some of the money will be

spent on extra teachers and on four education access centres to help parents become actively involved in their children's education

Ministry allows cattle flights

The agriculture ministry yesterday gave its approval for live calves to be flown from Humberside to Rotterdam to get around a ban imposed by ferry companies on the shipment of live animals to Europe. Animal welfare groups have protested against the flights of up to 200 calves in unpressur-ised aircraft.

Post offices open longer for lottery

Post Office Counters said yesterday that 178 main high street post offices - a quarter of the total - will stay open until 7pm every Saturday to sell tickets for the National Lottery.

All other post office services will be available during the extended hours. At the moment main post offices close at either 12.30 or 1pm on Saturdays. The extra bours will be worked hy voluntary overtime.

Press Association buys new HO

The Press Association, the news agency which sold its Fleet Street headquarters to Reutars in February, has bought a new office building in the Victoria district of London. PA is buying 292 Vauxhall Bridge Road from Banque Paribas for an undisclosed price and plans to move next summer. The news agency has been in its current building since 1939 and has occupied premises in Fleet Street for 126



Com Bears Heavy drinking: brewers, pubs and licensed retailers claim they

Roderick Oram on why it will

peraonal import restrictions was "a smugglers' charter". Vans coming back from Calais now account for one-third of all duty-paid imports of beer "and customs and excise inves-

say, is to halve beer duty to 15p a pint this year and to the European median rate of 8p by 1997. The rate in France is only 4p. To assuage Treasury fears that the excise revenue lost could never be recovered elsesioned economists at the Hen-

Henley concluded a virtuous circle would prevail. People would drink more, reversing a steady decline since 1979. This in turn would bring higher sales of food, wine, spirits and other products in pubs. Higher sales would justify higher investment to make pubs more attractive, pulling in even more trade. By 1999, 58,800

strength in personal sector

spending bas grown at a

quicker rate among hotels, the

food and drink sector and

other retailers. The slowest

growth has been in the enter-

tainment sector. Debit card

spending bas grown faster

than that for credit cards, with

the bulk of debit card spend-

ing occurring in supermarkets

"substantially less" than the

Over the past year, card

borrowing.

and off-licences.

the £1hn cut in beer duty. The impact on the public sector borrowing requirement would be positive by 1997 and bring a net gain of more than filbn by Duty cutters face a huge task

to change the government's mind. Sir John Cope, then the Paymaster General, said in April: "If we were to sharply cut the rate of duty, there is no way we would get back more than a fraction of the billions of lost revenue from increased UK sales."

claims made for the inroads of imports. Sir John pointed out in April that beer duty rose in 1993, the first year of liberalised imports, to £2.41bn from £2.39bn a year earlier.

every opportunity to press Its case but brewers acknowledge privately that their campaign could take some years to bear

One problem is a lack of hard data on imports. Advocates of duty cuts have extrapolated national figures from surveys and estimates. Working out how much of the imported drink is for legitimate personal consumption weeks to Christm hunters had better travel reservations.

Swans' rescuer becoming part of the new permanent core workforce at Heb-burn, expected to reach 200

Yesterday Mr Eric Weish,

managing director of Tees

Dockyard and chief executive

of its new Hebburn business. Tyne Tees Dockyard, said the

speed with which the first con-

tract had been won had raised

eyebrows. "It's come so fast,"

said Mr Welsh. "Everybody on

won in competition against a

Rotterdam ship repairer. Mr

Welsh was particularly pleased

to get a vessel into Hebburn on

the first day of ownership. "It

will start paying for itself

Other contracts for Hebburn

are under negotiation includ-

ing serious inquiries from Nor-

wegian shipping fleets. "I

would guess the next two to

three contracts will employ

The six-figure contract was

the Tyne is delighted."

straight away.

over 200," he said.

within a year.

By Chris Tighe

The company which has agreed to buy the Hebburn yard of Swan Hunter, the l'yneside shipbuilder in receivership, has won its first ship repair contract for the site before the purchase deal has been legally completed. On Thursday, the day the

Hebburn yard's sale to Tees Dockyard is due to be completed, the Stena Well Servicer, an offshore oil and gas field support vessel, will arrive for overhaul and refurbishment.

The Hebburn site's buyers who clinched their purchase agreement 10 days ago with receivers Price Waterhouse have started interviewing ex-Swan Hunter employees and jobless Tyneside ship repair workers.

They need to recruit 100 temporary workers for the threeweek Stena contract, but those

taken on have the prospect of

Lloyd's agents to appeal in Gooda case

Lloyd's of London agencies facing record claims for compensation from members after the High Court judgment against them in the Gooda Walker case are to go to the

Court of Appeal.

The decision was immediately attacked by the Gooda Walker sction group, repre-senting 3,096 Names, as a waste of time and money. Mr Justice Phillips ruled on October 5 that the Gooda Walker agency had taken "cul-

pable" and "unjustified" risks

and that the Names, individu-

als whose assats have tradi-

tionally supported the insurance market, should receive compensation. The Goods Walker action group estimated

and omissions insurers, which damages recoverable".

said yesterday that the judg-ment would be challenged with particular reference to the Mr Michael Deeny, chairman of the Gooda Walker Action Group, said: "Some people don't know when they have

lost. There is certainly no

prospect of our judgment

"Mr Justice Philips' principles of quantum will give us an estimated 80 per cent of our

helps tha ruined Names nor

sion to go for an appeal showed an "irresponsible disre-

gard" for the best interests of the market. He predicted that the appeal would be heard early next year. The delay caused by the

appeal is likely to increase the pressure from hard-hit Names for interim payments to be mada ahead of a final Court of Appeal decision Yesterday the insurers inter-

vened in the continuing High Court proceedings over Gooda Walker to seek clarification on whether they were bound to back agencies asked to make interim payments.

The insurers, out of whose funds any compensation even-tually awarded would be paid, also want to know if, in the light of the judgment, the Gooda Walker losses arose out of more than one "originating cause". This could affect the amounts paid under each agent's insurance policy. A spokesman for Clyde & Co

"These steps are not undertaken lightly. Insurers have the benefit of datsiled analysis and advice from leading counsel which has been carefully considered in arriving at their decisions."

The progress of the Gooda
Walker case is being closely

watched hy other groups of against Llovd's agencies

Inquiry told of Westminster's elector targets

Senior Westminster councillors and officials set specific targets for the numbers of new "electors" required in each of eight marginal wards, the public inquiry into gerrymandering allega-tions heard yesterday.

A fax was sent from the office of Dame Shirley Porter, the then council leader, to Mr Graham England, the housing director, on March 1987 demanding to know "how does he propose to achieve the target voter figures in the eight relevant wards by 1990?" Both of them, along with eight other named in the district auditor's provi-sional report which found, after a fouryear investigation, that they had been selling homes to bring likely Conservative voters into marginal wards before the 1990 local alections.

The inquiry heard that another of the

respondents - Mr Rohert Lewis, the council's deputy chief solicitor between 1986 and 1988 - said the secret plan for the marginal wards - known as "key wards" - was well known throughout the senior ranks of the council He had told Mr John Magill, the disname". Mr Andrew Arden, the QC for the

group of Labour councillors and residents who levelled the gerrymandering allegations, said council officials were instructed by Tory councillors to com-pile detailed profiles of the populations in each of the marginal wards.

Mr Arden said tha targets ranged trict auditor, in an interview that it was from 450 in Millbank ward to 150 in

Tory councillors and officials, were like "the lova that dared not speak its Victoria ward totalling 2,200 in all. Another fax was sent on March 24 1987 from Dame Shirley's office to Mr Matthew Ives, the council's chief solici-tor. It asked whether the council could sell off all the homes which became vacant in the marginal wards, without affecting its statutory duties to house the homeless. Mr Ives warned her "any-thing which smacks of political machinations will be viawed with great suspi-

> question by saying that the chance of being surcharged by the district auditor

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INFORMATION Blangier Vakil

KR House, 'N Med Street, London BC-34 [HY Tel: 6-41 [0] 71 842-4083

hots up Competition between British Telecommunications and Mercury, its main rival, is set to intensify following a report by BT claiming that its service is cheaper not only for typical bome users but also for many bigh-volume users. Mercury disputed some of the figures and pointed to its own discount packages - but analysts saw the BT move as increasing the pressure on Mercury to cut its prices furthar to retain a competitive edge. The BT report, verified by consultants Coopers and Lybrand, claimed that even residential customers with phone hills snbstantially above £75 a quarter - Mercury's target market - are typically better off sticking with BT than switching to its rival

are feeling the pinch from cheap imports of lower duty alcohol

Nationwide puts strain on Link |First contract for

savings accounts with Nationwide Building Society, tha UK's second largest, will have to pay from next month to use cash machines other than those run by the society itself. The move to levy a 60p cbarge per transaction on these customers imposes a fresh strain on the co-operative

basis of the Link network. It looks set to lead to the imposition of other charges. Halifax Building Society. the UK's largest, already charges customers 60p for each transaction carried out on a non-Halifax Link machine. Abbey National and Woolwich Build-

ing Society, the UK's third

review compares like with largest, also charge. The network was set up in like, matching our best deal with their hest deal, and we 1987 enabling banks and building societies without many cash machines to offer custom-Mercnry said: "The fact remains that Mercury's calls ers a more extensive system cost less than BT's calls and and so compete more effecfor typical Mercury customers tively with the larger clearing

SEMINARS

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ber, according to figures released by the Credit Card Research Gronp yesterday, but

> seasonal factors, Philip Coggan The group said that card spending dropped from £5.02bn in August to £4.68bn in September, although the Angust figures had been boosted hy bank holiday

spending.

Initially the system involved no charge to customers while the Link members paid each other for every transaction by one organisation's customer on organisation's

Alliance & Leicester Building Society, another targe Link member, said yesterday that against the background of the existing charges levied. Nationwide's decision was

Consumer spending on credit retail sales, published earlier ciation and the Central Statis-Holders of instant access and debit cards fell in Septem- this week, showed a 0.5 per tical Office have also sbown cent monthly rise. The retail sales statistics are expressed in volume terms and are seathe decline was mainly due to sonally adjusted. Credit and debit card spend-

ing in 1994 has been substantially higher than in 1993, partly due to the growing use of cards as a method of payment. In the three months to September, card spending was 17 per cent higher than in the same period in 1993. Figures Figures for September's from the British Bankers Asso-

> mercial options available". The charges imposed by Link

machines, it will make the position particularly difficult for Link members which have few cash machines themselves and whose customers therefore

60p Nationwide was intending members, discouraging use of to charge, it said. other organisations' machines, If the charges mean that had already had an impact on each organisation's customers the income it received from the increasingly make less use of external use of its own other organisations' cash

Leicester said Link said it acknowledged the Nationwide move "with regret". The cost to each mem-

machines, the Alliance &

losses. In our view the Court of Appeal is most likely to maintain his principle or alternatively to increase the damages awared to us. This is a deplorable waste of the scarce financial resources of Lloyd's syndicatas. Spending further millions on legal fees neither

as "new electors" - required to secure victory at the local elections.

was "fairly tenuous".

ber of the 31 organisations in make great use of other the co-operative scheme was causing it to review "the com-

By Jim Kelly

compensation at £504m.

being reversed on neglig-

Clyda & Co. the solicitors acting for the agencies' errors cover awards for negligence, "approach adopted in assessing

the Society of Lloyd's as a Mr Deeny said that the deci-

He said these profiles were used to calculate the number of new residents described in confidential documents

cion by the courts". Mr England had answered the same

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Shock horror.

Tere, exactly as they were brought out of China, are three objects which have inflicted more pain and terror than you can ever imagine.

They are electric batons, smuggled out of the Chinese prison, where they were being used to torture prisoners.

The dirt on them is real.

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The man who brought them out took a terrible risk. He was desperate to show the world what is happening in China's prisons. The baton on the left is shaped for easy

insertion into the body. When the black button is thumbed, the three metal bands around the shaft become

alive with electricity. The chunky object looks like a curling tong, but when it touches you, there's a crackle of blue flame and a shock powerful enough to burn skin and damage internal organs.

It was made in the Jing Jiang Radio No. 4 Factory, in Jiangsu, one of many such works in China mass-producing electric truncheons, cattle prods and other items, which they then proudly advertise in glossy brochures.

In Chengdu city, for instance, the Mensuo factory specialises in ironware: shackles, chains, handcuffs, thumb-cuffs and leg-irons.

Some of these gruesome objects are immensely heavy, others are ingeniously designed to cause the maximum pain.

This torturer's toolkit is used daily in China's prisons to punish those who have called for the democratic freedoms we often take for granted.

The torture of Liu Gang.

Liu Gang is a Physics graduate student from Beijing who took part in the 1989 pro-democracy demonstrations in en Smiare.

One of the 21 'Most Wanted' students in China, he was jailed in 1989 and later sentenced to six years imprisonment for counter-revolutionary crimes.

Liu is what Amnesty calls a 'prisoner of



conscience', that is, someone locked up in prison for expressing his non-violent political views.

Not just imprisoned. In a letter smuggled out of China last year, Liu claims that he has been repeatedly tortured. The Chinese Government denies this, but no impartial

investigation has ever taken place.

Its denial might carry more weight if the vicious tortures Liu Gang and other prisoners describe were in the slightest bit unusual, but, sadly, they are not.

A catalogue of horrors.

We now begin a catalogue of horrors that some people will find upsetting.

Please read it carefully. The information has come directly from prisoners who want the world to know what they are suffering. Often they have taken great risks to get the details out.

Liu Gang was one of 11 political prisoners held at Lingyuan No. 2 Labout-Reform Detachment in Liaoning province.

Their ordeal began when they angered the authorities by refusing to admit they were 'criminals'. Six were taken away to be tortured.

When the electric baton being used on Tang Yuanjuan ran out of power, the guard began kicking him with tough leather boots and broke two of his ribs.

Leng Wanbao temained silent when questioned, so they forced open his mouth and stuck the electric truncheon in.

Kong Xianfeng was attacked in a special way. The guards applied their electric batons simultaneously to different parts of his body and he started bleeding behind the ears.

When Liu Gang's tutn came, they applied the electric batons to his genitals.

He was put in leg-irons weighing about 20 pounds - he wore these for several weeks. Liu was also forced to sit without moving

on a bench for as long as 12 hours a day leaving his body in agony.



50,000 volts through a naked man.

On the second anniversary of the 1989 massacre in Beijing, a prisoner called Li Jie staged a one-day bunger strike in memory of those who had died in Tiananmen Square and elsewhere calling for democracy - many of them mown down by machine guns, some

crushed by tanks. He was stripped naked and dragged onto a stage where the prison's Brigade Commander shouted and blustered at him before applying a huge 50,000 volt electric

baton to his inner thighs. Two other guards gave him high voltage shocks to his bead, neck, shoulders, armpits, chest, stomach and fingers.

Li Jie went into spasms and passed out.

'Su Qin carries a sword on his back.'

To complement their skill with electric batons, many Chinese prison guards are shackle experts.

They have invented several tortures with fancy names like: 'Bending three wheels', 'A string of bells', and 'Su Qin carries a sword on his back.'

In 'Su Qin', one arm is bent back over the shoulder, while the other is twisted behind the back.

The hands are pulled together and the wrists tightly shackled.

A prisoner manacled in this manner can be hoisted by his wrists and left hanging for hours, till he loses all feeling in his arms.

'Chain-shackling' is the science of cuffing a prisoner's hands and feet together.

One especially cruel method is as follows: find the smallest handcuff that fits the prisoner's wrist, then cram both wrist and ankle into it, using pliers and hammers to snap the cuff shut.

The pain of this torture is indescribable. The prisoner reportedly screams all the time he or she remains shackled, until silenced by hoarseness.

Screaming, of course, can make matters

worse, if it irritates the guards.

At Mian County Detention centre, in 1990, one young prisoner was left shackled this way for several days.

Meanwhile, others beat him.

Laba Dunzhu died of a ruptured spleen.

She woke

to find herself dying.

In Seitru Detention Centre, also in

Lhasa, 26 year old Sonam Dolkar was being

questioned after having been arrested on

suspicion of being a Tibetan independence

Tiring of her answers, her captors

stripped her naked, wrapped electric wire

Sonam convulsed and passed out. When

Often she was beaten with electric batons.

Once, Sonam awoke to find that her body

was covered in bruises and that two ribs

were broken. They had hit her as she lay

Like Liu Gang, she was kept in leg-irons

for months. The torturers applied electric

batons to her face and every part of her

Eventually, Sonam was vomiting and uri-

We only know of her suffering because

when she was moved to a police hospital, she

managed to escape and flee to India.

body, including inside her vagina.

she regained consciousness, she was lying in

the same room. Her skin had turned blue.

around her and plugged it into the mains.

sympathiser.

unconscious.

nating blood daily.

He screamed and wailed all day, and all night, so loudly and pitifully that no one could get any sleep.

The shackles finally came off to reveal, apparently, rings around his wrists and ankles of red, rotting flesh.

The old ox ploughing the land.'

In the same jail. Xie Baoquan and another prisoner were to be punished for fighting.

They were handcuffed back to back and a rope was tied around them. A group of prisoners was made to run with the rope,

pulling them along. One of the pair was able to crawl forward as fast as he could. Xie Baoquan was pulled along on his back over the rough concrete.

This activity, picturesquely called 'The old ox ploughing the land' continued until the concrete was covered with Xie's blood and his back was one massive wound from which the skin and flesh had been scraped.

He was put back into his cell without any medical treatment, his back left to suppurate.

Xie's cellmates covered his back with a cotton blanket which became soaked with pus from the wounds, and which filled the room with the stink of rotting flesh:

Forced to eat soap from a toilet.

Some prisoners were playing chess with pieces carved out of soap.

Spotted by a guard, they quickly threw the soap chessmen into their toilet bucket. The guard forced them to fish out every piece and eat it. In Gutsa Detention Centre, Lhasa, Laba Dunzhu, a young Tibetan who had taken part in a pro-independence protest was taken out into the prison yard and

A guard placed a boot on his neck and forced his face down into the filthy water of the latrine.

are - and we're sure you must be - there

You can do

something to help.

is something simple and effective you can do right here and now to help. Join Amnesty. Even in China, our voice is heard.

If you're as upset by these things as we

The stronger we are - and the more pressure we can bring to bear on the Chinese Government - the more likely it is that the torture will stop. The more powerfully we tell the world of the horror in China's pris-

ons, the more difficult it becomes for governments in the free world to turn a blind eye to the prisoners' plight. This does work.

From other countries all over the world, we receive scores of letters every year from prisoners and exprisoners who have been helped by our campaigning. These include people who had been living in daily fear of torture or death.

For them, Amnesty's intervention has brought renewed hope and relief from pain. Liu Gang is still in prison.

Years of torture had left him suffering from a prolapsed anus, haemorrhoids, psoriasis and heart and stomach trouble. Although only 32 years old, his hair

had started falling out. Until just over a year ago, he had had no medical treatment and had been allowed only five baths in two years.

But since summer 1993, international pressure appears to bave improved his situation.

His family have once again been permitted to visit him and they report that he seems to be in better health.

Earlier this year, foreign journalists were allowed to visit the prison where he is being held, but weren't permitted to talk to him.

A letter to each of us from Liu Gang.

Last year, Liu Gang managed to smuggle a letter out of prison. Here is an extract: "Handcuffs and shackles won't frighten

me. Electric batons won't silence me. Forcefeeding and brain-washing won't affect me. Forced labour won't change me. Solitary confinement and torture won't ever terrify me. Regardless of what is done to me, I shall continue to use all peaceful and non-violent means at my disposal to fight against tyranny and abuse."

Liu faced his ordeal with such courage that his fellow prisoners called him 'The Iron Man'.

He and others have taken incredible risks to tell the world about their suffering.

Surely it's impossible that people who enjoy the very freedom's which they are denied, could learn about their suffering and do nothing to help.

We're not trying to point a finger at you - this means all of us.

Liu's letter to us all ends with these words: "I have no option but to fight with all my body and soul. Please don't let me down."

There's a coupon immediately below this sentence. Please use it now.

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£7 18-21 □ £6 m	nder 18 🛘 £6 Claimant 🖸	1 £6 Senior Citizen [3		
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Number One Southwark Bridge, London SE1 9HL Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700 Saturday October 22 1994

Step by step in Ülster

Another day, another step towards lasting peace in Northern Ireland. Just eight weeks ago it would have been prudent to avoid the expression of such optimism, however guardedly. Now, as each 24 bours passes since the IRA declared a ceasefire on August 31, it is possible to argue that the tortuous process of constructing a settlement to which all assent may, against expectations, eventually end in success.

The obstacles are well-known. Past IRA ceasefires bave been short-lived. The "lovalist" terrorists, who laid down their arms only a couple of weeks ago, may not be able to maintain discipline Critically, each side expects ultimate victory. Sinn Féin is allowing its followers to suppose that entering the peace process will lead to a united Ireland. The unionists vow that Ulster will never leave the ambit of the United Kingdom

Seemingly undaunted, the prime ministers of Britain and Ireland have pursued the peace process they initiated when they signed a joint declaration in Downing Street last December. That committed both governments to acceptance of the will of the Ulster electorate, an undertaking reinforced by a subsequent promise of a referendum on any new negotiated deal. It also invited the terrorists on both sides to abandon violence and take their chances with the democratic process

in Dublin Mr Albert Reynolds has addressed himself primarily to a nationalist audience; in London and, yesterday, Belfast, Mr John Major has sought to allay unionist suspicions. Both have demonstrated skill and courage. The Tao-iseach is convening his forum for national peace and reconciliation. which one unionist party may attend. Mr Major has moved at a tactically deliberate pace. He intimated yesterday that the ceasefire declared on August 31 will henceforth be regarded as genuine, although the IRA refuses to declare it "permanent".

Verbal camouflage

The two prime ministers meet at Chequers on Monday. Talks with the IRA/Sinn Féin should begin in a few weeks. There are many items on the agenda. Some will be matters of intricate negotiation, tors of violence to hand over their explosives as a prelude to surrendering their guns. Some will involve verbal camouflage, such as a refusal to grant an amnesty to convicted terrorists, combined with an assurance that paroles will be easier when there is no threat of a repetition of the original offence.

could break down at any stage Yet the climate of local opinion is a form of insurance against a resurgence of violence. Yesterday Mr Major called for all Ulster inhabitants to speak out for peace He lifted the ban on Sinn Féin ders entering the British main land, opened cross-border roads and indicated that the number of troops on the streets would pro gressively be reduced. By so doing he recognised some nationalist aspirations. The business commnnity was offered a pre-Christmas conference on investment in the

Changes afoot

The unionists have something of greatar immediate value – an unbreakable assurance that there will be no change in the constitu tion without their consent. Yet changes are afoot. Sooner or later the political framework being designed in Dublin, London and Belfast will have to be put on the table for debate. Mr Major has promised publication, which is essential if suspicions are to be kept to a minimum.

Ulster will be offered its own legislature, elected by propor tional representation to guarante a share of power to parties representing the Catholic minority Naw institutions, answerable to both London and Dublin, would operate in both parts of the island hese might cover matters such

as tourism and the environment, The structural example often cited is that of Nato, whose mem ber states retain their national sovereignty while pooling military resources. To set the seal on the package, the Dublin government would seek to amend the article in the Irish constitution that lay claim to Ulster, while Britain would make an equivalent change

When all the documents have been signed, the deal will be put before the Irish electorates, north and south. Some British ministers expect the negotiations to take two years. Barring accidents, there may be a denouement before

The unionists are being asked to pay for peace by accepting that if they are outnumbered they may be outvoted in a future referendum. Republicans, and the IRA in particular, are expected to acquiday of reckoning for perhaps another 25 years, and possibly forever. They are given encourage-ment by Dublin's words about how in due course the south will seem a more inviting place to northern Protestants. For Sinn Féin, after 25 years of violence hreat of a repetition of the origi-al offence.

This delicate horse-trading during which they made no prog-ress towards their goal, it is the only option that makes sense.

ne statewide candidate, pockets deep with oil monay and driven by a ruthless wife, wants a govern-ment thet "does nothing". Another reveals on television that her daughter has been raped and her son mugged. Both major incumbents have the charisma of meat loaf. All throw mud at each other like confetti. The state itself, a magnet for immigrants for 150 years,

seems on the verge of denying social sarvices to those illegally

inside its borders.
This is 1994, the supposed year of the Great Political Discontent, and the state, naturally, is California which, in the realms of the bizarre. has always taken some beating. And it may buck national trends again on November 8 by returning to the governor's mansion in Sacramento and to tha US Senate in Washington a pair of extremely professionai incumbent politicians, a species widely believed to be in

They are the dogged duo of Pete Wilson, Republican governor, and Dianne Feinstein, Democratic senator. Both have opponents notionally more in tune with the times.

Kathleen Brown, the Democratic state treasurer up against Mr Wil-son, is not merely the third member of California's great dynastic political family to seek the governorship but appears the very model of the articulate, telegenic modern woman candidate. Congressman Michael Huffington, the Republican trying to unseat Ms Feinstein, is cast in the mould of Ross Perot, a political neophyte willing to spend a large chunk of a personal fortune in the pursuit of alective office.

With less than three weeks to go, the bitter and expensive campaigns with \$27m spent on the Senate race alone by the end of last month seem to have settled into a pattern. Mr Wilson, 20 points down this spring, has pulled into a 10-13 point ad over Ms Brown by hitting the "hot button" issues of crime and

illegal immigration. Ms Feinstein, 20 points ahead as late as this summer, seems to have weathered the storm of Mr Huffington's unprecedented negative advertising thet had brought him to par-Ity last month and now holds a 7-9 point margin. But this has been mostly because of the torrent of critical media attention that has descended on the heads of Mr Huffington and his wife.

It is often dangerously easy to poke fun at Californian politics. After all, in the last 30 years, the state has elected a retired B-movia actor (Ronald Reagan), an ageing song and dance man (George Mur-phy), a very odd fish (Jerry Brown) and a distinguished but eccentric professor of linguistics (S I Hayak-

Its ballot papers are always lit-tered with populist referendums, to the point, it sometimes seems, ocracy run riot. Sam Popkin, of the University of California at San Diego, notes that in the past four years the voters of San Diego County have been asked to pass judgment on no less than 690 candidates and propositions. ("What do torically. "Three - the Commons, the European parliament and local

councils.")
Yet some have been harbingers for the nation, such as the tax-cutting initiative that passed in 1978, or the environmental one ("blg green") which failed in 1990.

This year'a eye-catcher would deny education and non-emergency healthcare to illegal immigrants and it will probably pass, if only to

Election campaigns for governor and senator in California are proving bitter and expensive, writes **Jurek Martin**

Serious game of mud-slinging



California prize: (from top left) Governor Pete Wilson and Democratic challenger Kathleen Brown; Arianna Stassinoponios and husband, Michael Huffington, the Republican taking on Democratic senator Dianne Feinstein

smoking ordinances in favour of a more lenient statewide standard. while a third seeks approval for a state-funded (or "single payer") healthcare system.

Reading California right is a prerequisite for any politician with national ambition, especially now thet the 1996 state presidential primary, which traditionally wound up the election season, has been brought forward to early March.

California's ballot papers are always littered with populist referendums, to the point of democracy run riot

This century only three Democrats have become president without carrying California - Wilson in 1912, Kennedy in 1960 and Carter in 1976. No Republican ever has, which of the state in the final months of the 1992 campaign is still subject to endless second guessing. Two of the last five elected presidents - Nixon and Reagan - have called California

There are serious Republicans on the east coast who believe that, if Mr Wilson wins, he becomes the automatic front-runner for the party'a presidential nomination in 1996. Californians, who know him well as

ested in the vice-presidency. Certainly his often tongue-tied and mean-spirited performance in last week's televised debate with Ms Brown was devoid of the charisma expected at the head of a national ticket. In the debate, he also halfpromised to serve a full four years if returned - not that such a commitment has deterred other politi-

cians from changing their minds. But at the very least, as the man who could deliver California and its 52 electoral college votes, he would become a major player in a national Republican party whose divided factions, in the opinion of Professor Popkin, leave it with no apparent kingmaker. His policy record, if not his campaign, is in the moderate mainstream and includes support for abortion and a willingness to increase taxes under duress. Nelther conforms to the Reaganite conservative orthodoxy that again is

trying to rule the Republican roost. National hopes on the Democratic side were also held out for Kathleen Brown, glowingly portrayed as governor brother, Jerry, and more articulate than her revered ex-governor father. Pat. But ber campaign had been without passion or definition - until a crisp performance in the TV debate, during which she disclosed what had happened to her son and daughter as a means of rebutting Mr Wilson's charge that she was indifferent to the victims of crime.

Even Willie Brown, legendary

be challenged immediately in court.

Another would repeal all local antigovernor, suspect he is more interpolated by the challenged immediately in court.

Mayor of San Diego, senator and performed by the California House, had begun to despair that she could persuade the state that she would govern very differently from Mr Wilson. Their confrontations, mostly conducted through a series of negative TV advertisements, tended to play to his populist issues not bers. California's economic recovery rendered her 65-page reform plan less relevant beyond her turning conventional political rhetoric on its bead by charging that be was "just

> The Huffington problem is partly his own history of underachievement, but mostly concerns his wife

another tax and spend Republican". As for the extraordinary Senate race, a shorthand version would go something like this. Michael Huffington moves from Texas and in Santa Barhara by spending the most money ever (over \$5m) in an election for the House. Ten months later, after a record conspicuous for total invisibility, he announces that he will spend what it takes to defeat Ms Feinstein. Willie Brown recalls that, on learning how much (upwards of \$20m), he phoned the senator and said "Dianne, you've got a problem".

He is proved right as the Fein-

stein lead dwindles in the face of an advertising onslaught with one central theme: "Feinstein - a career politician who'll say or do anything to stay in office." Mr Huffington to stay in outce. Mr Humington does not appear to stand for anything beyond a vague conviction that the volunteer spirit will enable the country to do away with welthe country to do away with welfare. He rarely gives interviews or, until this week, appears much in public, but the polls show that Calfornians are unconcerned if this is how a rich man wants to spend his manual it is his after all and Me money - it is his, after all, and Ms Feinstein is not exactly poor.

But, bit by bit, the local and national media unearth the Huffing-ton problem, which is partly his own history of under achievement, spiced by suggestions that be has evaded California income tax, but mostly concerns his wife. She is the former Arianna Stassinopoulos, well known in social and literary circles in her Cambridge and Lon-

ot only is her hus-band seen as her puppet (the "bost body" for her own ambitions, as the Los Angeles Times put it), but it also comes out sbe is, or was, a devotee of a New Age guru by the name of John-Roger, who recovered from a bout with kidney stones and pro-nounced himself more powerful than Jesus Christ. She holds strange orchestrated salons in Washington, in which guests find their thoughts recorded on tape. She fires campaign aides at will, or they leave in protest at her control. She claims to do charity work at charities which say they have hardly ever seen her.

All this and much more has been gleefully reported in the media and by cartoonists like Garry Trudeau, creator of the Doonesbury strip, in Willie Brown's opinion, Doonesbury's "empty suit" - which is how Mr Huffington is drawn - has instantly fixed all the real problems of a disorganised and depressed Feinstein campaign.

Like Governor Wilson, she would rather not run on personality, which is a bit dour and short-tempered, but on a record which is distinctly respectable, both as mayor of San Francisco and in the Senate. Her finest legislative hour came in the destructive final hours of Congress two weeks ago, when she single-handedly rescued a bill protecting Californian deserts. Still, she has been forced into negative advertising of ber own and to devote many hours to private fund-raising. rather than public campaigning.

But she is not home and free yet. Voter turn-out will be low, which favours the more energised Republicans. The lack of enthusiasm for Kathleen Brown, unless reversed in the final weeks, could drag down Democratic candidates state-wide.

So may disaffection with President Bill Clinton, though polls find his standing in California higher than in most states. However, the national Republican leadership has not rallied to Mr Huffington, as it has to Oliver North in Virginia, preferring to concentrate efforts in California congressional races, where

are seriously up against it. One final element of perspective must be noted. For all the ubiquity of election advertising, the political campaigns are still only the second biggest story in California, behind the O.J. Simpson trial and its extraordinary out-of-court activities. Only if Judge Lance Ito were to lock away hotb jury and media would the politicians have the stage to themselves.

MAN IN THE NEWS: Ian Green

Doyen of the lobbyists

t is a relaxed and convivial scene. About 20 men and women linger over after-dinner coffee and drinks in a private room in the most exclusive restaurant in Christchurch, a sleepy and well-beeled town on England's soutb coast. They include some of the UK's best-known political journalists. It is the eve of the Conservative party conference in Bourne-

mouth, a few miles away.

An impeccably dressed and darkbrowed man slips easily from conversation to conversation with prac-tised grace. Discreetly attentive to his guests' requirements, he exchanges views on the main political issues of the day with knowledgeable affability. Mr Ian Greer is

Mr Greer is the doyen of UK political lobbyists. A spry 61, he and his firm, lan Greer Associates, have been the driving force behind the rapid growth of professional lobbying in Britain. Yet earlier this week, reports in

The Guardian newspaper linked IGA to a new "cash for questions" controversy involving alleged payments to MPs for tabling parliamen-

Mr Greer has strenuously denied the allegation that the firm acted as a conduit to channel money from Mr Mohamed Fayed, owner of Harrods, to two Tory MPs during the battle for control of London's pre-mier department store in the late 1980s. He has served a writ on The

But the affair has prompted the resignation of one junior minister and placed a question mark over the career of another.

It is all a long way from 1968, when Mr Greer - once a Conserva-tive party agent - helped set up Russell Greer, his first public relations venture. At that time, he found little demand among industrialists for his insights into Whitehall decision-making. The firm became primarily a financial PR specialist. Mr Greer eventually sold his shareholding to other directors.

When he formed IGA in 1981, business was waking up to the benefits of the services a apecialist political lobbyist could provide. Since then, the industry has grown repidly, from next to nothing 20 years ago to a business with an estimated annual turnover of £20m today. Its influence has become pervasive: the work of lobbyists is discernible behind the scenes almost whenever an important government decision is in the process of being

From the government's legislative plans to politically sensitive takeover blds and the contents of the Budget, lobbyists like Mr Greer will be beavering away on behalf of clients, seeking early warning of forthcoming evants and trying to shape decisions to their best advantage.

IGA lobbled actively on Mr Fayed's behalf for a numbar of years in the late 1980s in return for an annual fee of around £50,000 about the going rate. It monitored Whitehall documents for him for a further period - a service that would typically command a fee of

£10,000-£12,000 per annum.

The signs are that IGA will have to work hard to retain its pre-eminent position among professional lobbyists. His blue-chip client list includes British Airways, Philip Morris, the government of Taiwan and Channel Four Television. But one client has already indicated it is considering dispensing with the firm's services, and predicted the furore could be "very damaging" for IGA's business.



The new allegations could not have come at a more sensitive time for the lobbying business. The unfavourable publicity has increased scrutiny of its activities and demands for tighter controls.

Lobbyists have reacted by taking steps to regulate themselves more effectively, while renewing long-repeated calls for Parliament to draw up a statutory coda of practice. Five firms, including IGA, recantly founded a trade association and launched a code of conduct banning all financial links with MPs. Mr Greer came out in favour of statutory regulation as long ago as 1985. Even before the recent bad publiclty, specialist firms such as IGA had been under pressure. Since the recession in the early 1990s, clients have increasingly tended to manage their public relations operations in house and to hire outside consultants for only short-term projects.

In addition, a new breed of practitioner is advising organisations on how to do their own lobbying. One

of the new breed, Mr Charlas Clarke, once a top aide to former Labour party leader Mr Neil Kinnock, argues: "Too many lobby companies claim that only they understand the machinery of White-hall, Westminster or Brussais power." He accuses them of building up "the mystique of politics" to

While Mr Greer acknowledges thet lobbying once had such mystique, he contends this has long disappeared. He says Mr Clarke is "ont of date, poor man".

Nevertheless, Mr Greer is likely to need all his tenacity and ingenuity to maintain the steady growth of his company - which now has about 50 employees, including many former aides to top politicians, and an annual turnover of £3.5m.

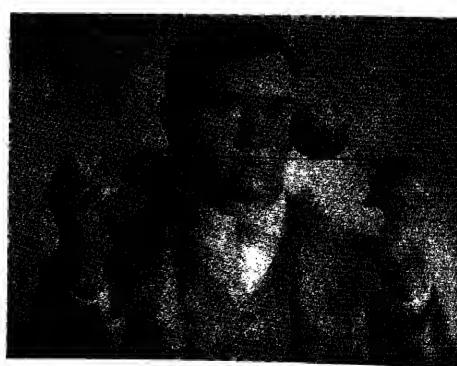
Until recently, Mr Greer had managed, for the most part, to avoid publicity, popping up only sporadi-cally in headlines. In 1990, he told MPs that he had made six payments to three MPs over the previous five years for introducing business. Later thet year, he used his Daimler to chauffeur Mr John Major to an engagement during his succe campaign for the Tory party leader-

ship.
The closeness of his ties with the prime minister was underlined when Mr Major, along with a num-ber of other cabinet ministers, attended IGA's 10th anniversary cel-

ebrations three years ago. But these days, with the Tories trailing in the polls, it makes sound business sense for IGA to be evenhanded in its relations with the main political parties. Earlier this year, the firm paid for the drinks at a reception for some Labour Euro-pean election candidates at Lon-don's Café Royal.

As Mr Greer walks Humphrey, his poodle, in Richmond Park today, he could be forgiven for feeling all of his 61 years. Thoughts of retirement are far from his mind, how ever, "Good God, no! What am I going to do?" he exclaims.

David Owen



Consider, if you will a pours plant, a train, and a blast furnace. They're nothing in mon except Ansaldo. In fact, creating products and naterns for inclusional growth in Industry, Power and into one of the leading companies in the field of Elec-. Immechanics. In Italy, our homebase, we've worked with Enel (the state electric comparts) to produce some 80% of the electricity consumed in

IN A MOVING WORLD WE ARE THE MOVERS.

Mates, we hold 30% of the railway signalling market and are the recentrast world lender. We are known for our capacity to offer timely responses to questions which are constantly evolving and specific solutions to the prinripal problems posed to one nomic development in more them 30 countries around the world. I world that move, pust like us, and even, we might say, thatake to us.

A nation desperate for relief

Iraqis' collective morale may never have sunk so low, says Mark Nicholson

othing demonstrates Iraq's isolation and deepening impoverlahment more starkly than the 1,000km desert highway that links Baghdad to Amman in Jordan.

Traffic along the three-lane motor-way, which has been Iraq's main link with the world since flights were banned by the UN, has thinned to a dribble of cars and an occasional truck. The country has run out of the means to afford the imports of food and medicines that the UN permits. And the traffic that does hrave the highway is prey to highwaymen.

After 12 hours travelling Iraq's exposed, empty lifeline, vehicles reach the anti-aircraft batteries of Baghdad's approaches. The highway then opens on to the busy boulevards of a capital strewn with mighty monuments and buildings: all in tribute to President Saddam Hussein and his ambition to make Iraq an Arab super-

In spite of four years of sanctions, Baghdad has kept up appearances. With dogged ingenuity, the Iraqis have rebuilt almost everything the 70,000-80,000 tonnes of allied bombs destroyed during the Gulf war in 1991. They have chipped away broken concrete to recover reinforcing rods. They have cannibalised spare parts. And they have rebuilt Iraq'e main telecommunications, power, water, sewage and road networks. Mr Saddam has even had a new communica-tions tower built, claimed to be the Middle East's tallest structure, and is planning what officials call "the biggest mosque in the world". The Sad-

dam mosque, naturally.

Iraqis are proud of this rebirth, whatever they think about their leader - something few Iraqis risk venturing to strangers. "We hear all about rebuilding Lebanon, rebuilding Kuwait - no one ever wrote about how we rebuilt Iraq, without any for-eign money or the original plans of the foreign manufacturers," said one Iraqi electrician. "Do you know we

giant shopping centre will soon be built

right on your door-

step. There will be

hundreds of stores, banks, a

supermarket, car dealerships

billboards - all within sight of

rebuilt our earth station? More than 100,000 fragments, all put back

But towers, mosques and earth stations cannot hide the clear plunge in Iraqis' living conditions in the past few months. As the same Iraqi put it: "Sanctions are hurting now. The first, second, third years - then maybe we were bluffing. It was for the foreign media, our suffering. But now it

There are plenty of signs that Iraq has reached a critical stage. Food supplies are perilously short. Iraq imported 70 per cent of its food, at an annual cost of \$1.1bn, before the war. The government says it is now spending an annual \$700m on food, and cannot do that for much longer. Last month it halved the basic rations of sugar, oil, rice and flour that every Iraqi has been entitled to since 1990. This year's harvest is down by a third on last year's poor crop. Farmers have not been able to get pesticides or fertilisers and, after four years' cropping without fallow, have leached their

soil, say UN officials. Rations only met 70 per cent of basic nutritional needs, before the cuts. Hence the rise in the number of children with stomachs bloated by malnutrition appearing in Baghdad'e hospital beds. Doctors at the Saddam Children's Hospital say that so far this year they have admitted 500 children with marasmus, a severe form of malnutrition, compared with about 65 a year before the embargo. They are

also critically short of drugs.
Food prices have soared. Two dozen eggs or a kilo of lamb costs ID1,000, about half an average government employee's monthly pay. One school teacher, buying an ID500 tin of baby-milk powder in the Shorjah souk, said this represented a third of her monthly income. "It's all the money I have, so I must spend it for my chil-dren," she said. "Of course we can't

It is Iraq's salaried classes which are worst hit. Of Baghdad's 1m mid-



fraqis buying drugs at a state-run pharmacy in Bagindad, where the UN-imposed embargo is causing acute hardship

dle-class Christians, more than 300,000 are thought to have fled since 1991. government is trying to staunch the flow. Dina, a 23-year-old secretary, says she qualified as a petrochemical engineer at Baghdad university, but has not been granted her degree papers. "Without it they know I can't get a job overseas," she says, adding that one college mate, a mechanical engineer, has resorted to selling cigarettes by the roadside for a living. Baghdad'e souks are full of people selling the family silver - literally.

he Iraqi dinar has become funny money - locals refer to it simply as "paper". Hard economic data are rare, but the government estimates that prices have risen by 5,000 per cent since 1990. Exchange a \$100 bill in Baghdad and you receive a 15cm bundle of dinars. Banks ferry money inside branches in supermarket trolleys and receive truck deliveries of notes each morning. The few who are making

parts dealers, smugglers and the Baghdad-Amman taxi drivers in their hulking GMC Suburbans, buy their cars and houses with 50kg sack-loads of dinars.

A grim pall has settled over Baghdad. The city's restaurants are dark and empty. Public drinking has been banned. A rise in crime and low-level graft, once almost absent, and army desertions has seen the government resort to the severing of hands, feet or ears by way of punishment But while Iraqis' collective morale

may never have sunk so low, there are few signs that this is coalescing into any articulated, let alone organised, opposition to Mr Saddam. Iraqis are keeping their private feelings pri-vate. Even if Saddam has lost support - and there's no doubt many hate Saddam - people cannot react because they fear the regime," says a diplomat. Another suggests that with "one in 20 working for the mukhabarat (secret police), at a conservative guess", it is hard to assess what politi-

Another year without reprieve from the embargo would certainly aggra-vate the ruin of Iraq's middle class and cause more crime and starvation. but it still might not shift the Iraqi

The hardship of sanctions may even be strengthening Mr Saddam's hand, some argue. "Put it this way," says an ambassador in Baghdad, "at present, who is closer to the Iraqi people's concerns? The UN, the US and the exiled Iraqi opposition who want to keep sanctions on, or Saddam, who is fighting to get them lifted? Even those who hate Saddam are now in the same basket."

No one wholly rules out a palace coup from within Mr Saddam's al-Takrit clan elite, or a rising of disgruntled officers. But neither seems likely. And if either occurred, it would come out of the blue even for the most plugged-in observers.

The view from Baghdad is that Mr

thing. The latest computer net-

work technology for electronic

commerce provides "intelligent assistants" - computer pro-grams that travel the data net-works in search of information.

or products, at the behest of

AT&T, the telecoms group,

recently launched PersonaLink

network service, the first commsrcial application of this

technology. Using software

developed by eShop, a Calif-

ornia software venture, Per-

sonaLink will create a "market

square" with electronic shop-ping assistants to help sub-

scribers browse, select and

These "cyberpersonas" will

get to know your interests and

tastes, what sports you enjoy,

your shoe size, your spending habits and more. Retailers will

provide these "electronic assis-

tants" to help you to make

You might also want to cre-

ate your own electronic assis-

tant, who will look through

several electronic stores to find

what you need at the best

These assistants will emulate

Many retailers see these

dsvelopments as an opportu-

nity to experiment in the brave

new world of "virtual" shop-

ping before it becomes a 21st

century mass consumer service

the game, to understand what

is going on," says Mr Tomlin.

So when are they going to start building that virtual

"It makes sense to get into

on "interactive television".

shopping centre?

your purchases.

available price.

Saddam is staying, whatever the US, the UK and the Iraqi opposition may

their owners.

New corporate investors threaten the traditional Lloyd's Name, says Ralph Atkins

Endangered species

astonishingly large Lloyd's of London Mr Glenie Joel, a 65 year-old retired soldier, is reluctant to offer financial advice. But he does have one tip: "I certainly wouldn't suggest that anyone went into Lloyd's."

In the past, becoming a Name at Lloyds, as Mr Joel did n 1988, appeared an attractive investment with considerable tax advantages. Today, with the insurance market having incurred enormous losses, the number of Names is shrinking rapidly. With the arrival at Lloyd's of increasing numbers of corporate investors, the future of the traditional Name looks still less certain. The introduction into

Lloyd's of capital from companies rather than individuals should take a step forward in the next few weeks when Wellington Underwriting ounces that it has capital in place for a UK stock-market listing. By planning company to invest in a narrow range of Lloyd's insurance syndicates, it will be the closest a listed company has come to mimicking the role of individual

Names in providing capital LLOYD'S SHARKING PRELING returns to to underwrite insurance poli-There is one 1981 crucial distinc- 1982 ion, however. 1983 joined under- 1986 writing syndi- 1987

cates on the 1988 basis of unlimited liability - 1991 and were vul- 1992 nerable down 1993 22,259 19,537 17,578 to their last col. 1994 17:578 lar stud, the meludes corporate

maxlmnm losses of corporate investors are capped.

The emergence of the new listed Lloyd's companies raises the question of why prudent investors should want to invest again in Lloyd's on an unlimited basis. "Unlimited liability is going to go," says Mr John Mays of the Merrett Names Association, a group representing other Names who have lost money.

Unlimited liability offers premiums up to five times the value of their investment. In good years, this gearing level can mean high profits. How-ever, the downside is illustrated by the fate of thousands of Feitrim and Gooda Walker Names, who have lost a total of more than Lihn and are chasing compensation through the courts.

Even without Lloyd's recent troubles, the traditional Name looked anachronistic. Some in the industry believe that unlimited liability is legal nonsense because nobody has unlimited assets.

At the same time, the organisational structure of Lloyd's developed in the 17th century to provide simple marine Insurance policies - is unlikely to be appropriate in an increasingly competitive

The tax advantages of becoming a UK Name have also diminished as income tax rates have fallen. Names could offset losses against marginal tax rates as high as 98 per cent in the late 1970s, and 60 per cent in the mid-1980s when Lloyd's membership was growing rapidly. With a top tax attraction has fallen.

example Names can keep profits in "special reserve" funds, without paying tax, to use for paying future losses. But that has not stopped Names leaving Lloyd's. In 1989 more than 31,000 Names were actively underwriting. Next year the total may drop below 16,000.

Lloyd's management is not yet ready to declare the tradi-tional Name defunct. Mr David Rowland, chairman, believes the injection of corporate capi-tal is critical to Lloyd's future. But he is keen to respect

"I want a level playing field between old and new capital so thet market forces can dictate," says Mr Rowland, There are two good reasons for being fair to traditional investors at this stage

First, the company investors are unproven. This year, the first in which corporate capital has been allowed, 25 companies have invested about £900m in the market. Most have spread their funds across a broad range of syndicates. sometimes as many as 100. Typically they are allowed to nuderwrite preminms worth twice their investment, a level of gearing that may not pro-

> entice investors. Under Lloyd's acconnting rules, tbls year's nnderwriting profits will not begin to flow until 1996. Second, Names will continne to pro-vide most of

Lloyd's finances for some

Source: Lloyd's over, the high gearing is still attractive for some wealthy individuals. To lessen the risks of unlimited liability, Lloyd's introduced last year a "high level stoploss" scheme offering protec-tion against excessive losses. Existing Names have an incentive to carry on trading if they can afford to. Though 1992 is expected to have been loss-making, 1993 is regarded as having been profitable. Meanwhile relief is in sight underwrite policies paying ing US pollution and asbestosis claims dating from as far back as the 1940s. Liabilities on policies underwritten by

Names in 1985 or before are

expected by the end of next

year to have been taken over

by Newco, a company set up by Lloyd's to "ring fence" the

so-called "old years" problem.

This should mean many Names can finally rid themselves of the still unquantified The picture could, however, change considerably by 1996 or 1997 when insurance may have entered a cyclical downturn. "Before 2000 most of us who are still underwriting will be doing so with limited liability," says Mr Robert Saunders, director at accountancy and

By then the wider repercus sions of introducing corporate capital will also have been felt. Corporate investors may want hig changes to the Lloyd's underwriting system, and it could become hard for Lloyd's to balance the interests of companies and individuals on unlimited liability. The unlimited liability Name may become an endangered

banking company Smith &

Tax henefits remain: for Barry Riley: Weekend FT I

Unsubstantiated failures

From Mr Barry Witcher. Sir, Michael Hammer, ("No need for excuses", October 5) writing of re-engineering failure rates, says "... we find it breathtaking when the 70 per cent figure is cited as an authoritative statement of reengineering's successes and failures because ... one of us

made it up". Something similar happened for total quality management (TQM); there, the authoritative failure figure is 80 per cent. It was cited widely at the recent annual conference of the British Academy of Management, yet research conducted at Durham and University of Man-

From Ms Eileen Adams.

Sir, With reference to the

article, How to recognise the

British ex-pat - executives who choose to live overseas"

(Management, October 14), I

note that the category of "political refugee" was overlooked.
This includes that dreaded

breed known as single mothers

obliged to live outside their

country.

hester Institute of Science and Technology clearly showed that the vast majority of TQM is still in place, and that less than 5 per cent of organisa-tions seem totally dissatisfied.

For example, in a large survey of organisations in Scotland last year, fewer than 1 per cent of organisations with TQM expressed total dissatisfaction. Perhaps for new things It is always "open season". Barry Witcher, director of postgraduate

Durham University Business School, Mill Hill Lane, Durham DH1 3LB

Single mother 'refugees' welcome in Brussels

That much maligned little fully contributing members of city of Brussels accepts such ex-pats, allowing single parents society and very happy to be part of a community which to work and care for their offactually likes women and spring with the aid of state-run children, unlike life undsr a crèches and mursery schools of certain British government very good quality, open at convenient hours (07.30 to whose record on childcare leaves much to be desired. 18.30) and contributed to Bileen Adams, in accordance with their sal-Avenue des Gaulois 13. ary. In turn, such refugees are

Simple ID card would make for simpler life

From Mr Warren Edwardes. Sir. To my chagrin, my Spanish wife can enter and leave the UK with no more than a credit card-sized ID card. Furthermore, in many countries ID cards are essential for day-to-day business purposes, such as entering clients' offices. Passports have to be carried in lieu of ID cards. To avoid the hassle of carry-

ing a passport while abroad 1 have made myself an ID card. While consulting in South Africa last year, I stuck a photograph on my UK driving licence and my client over-

stamped it and signed it. I have had no problems with my "official" papers within and without the EU, though I have not yet tried it at a frontier. May I suggest a cheap and | London W2 2YQ

Insurance details. Warren Edwardes, managing director, Delphi Risk Management, 3 Hude Park Steps St George's Fields,

Globalisation still a route to sustainable success

From Mr Mark H J Radcliffe. Sir, Bronwen Maddox, in her article "Masters of a frag-mented universe" (October 17), says globalisation is now only being heard of from a handful of industries. That this is so is less to do with flawed acquisition strategies than to do with a failure to conceive and implement effectively.

There are dozens of industries where sustainable success, and financial return, will only be ultimately achieved by those who can get their global

act together. The reasons for some industries being susceptible to globalisation and others not range R&D or tooling costs (eg, phar-maceutical and automotive), the utilisation of special knowledge or servicing ekills (eg. international plant construction and maintenance, or advisers such as auditors), or brand recognition and quality assurance (eg, McDonald's). We need to encourage and not discourage those businessmen with the vision, courage

from the need to recover high

and capability to do it, rather than taking a narrow, comfortable and parochial route. Mark H J Radcliffe, The Malt House, Upton, Near Andover,

Hampshire SP11 0JS

EU is about domestic policy

From Mr Gary Titley MEP. Sir, Ian Davidson reproduces the misconception which is a flaw in the UK's attitude towards the EU - that European policy is a part of foreign policy and so is remote from everyday existence ("Blair's EU labours", October 12). The

EU is about domestic policy

and should be interwoven in all our debates. Only then will the British get to grips with "Europe". It was presumably in recognition of this that Tony Blair gave his deputy, John Prescott, a European remit. Gary Titley,

16 Spring Lane, Radcliffe, Manchester M26 2TQ

your living-room armchair. But don't rush to organise a protest. There will be no concrete poured in the construction of this mega-mail. It is a "virtual" shopping centre, just a few seconds down the information superhighway. Electronic shopping centres are proliferating as retailers spot the chance to create a direct, low-cost marketing predominantly affinent group

of consumers - home-computer More than a third of all US bouseholds now bave a personal computer and 12 per cent - approximately 11m people are equipped with a modem that allows them access via the telephone to the electronic data networks. Among US households with an annual income exceeding \$50,000, the percentage of "net travellers"

users of soch networks rises to 27 per cent. This level of access has prompted a charge into electronic shopping, led by commercial networks such as Compuserve, America Online and Prodigy. They now have more than 5m subscribers who use their on-line discussion groups, live chat "rooms" and news

services, as well as electronic Each has an "electronic mall", with more than 100 stores selling products from a Brooks Brothers suit to honey-

baked ham. The Internet - a global web of computer networks with an estimated 25m-30m users - is also going commercial. Last month, Home Shopping Network, which operates the Home Shopping cable TV chan-nel, acquired Internet Shop-

money out of sanctions, such as spare Louise Kehoe on the commercial appeal of 'virtual shopping malls'

The armchair shopper

ping Network (ISN), a fledgling Silicon Valley company that began selling computer products on the Internet five

mouths ago. "It is a bold step towards opening up a huge new market," says Mr Randy Adams, founder of ISN. Home Shopping is planning "a major push into the digital environment, a television", he says.

With distribution and billing facilities already in place, Home Shopping Network is poised to create the first largescale electronic shopping service on the Internet. Already there are dozens of smaller retailers on the Internet. Merchants from Palo Alto, in California's Silicon Valley, for example, have posted listings of their wares while the city's restaurants provide menus on-line.

For consumers, the main appeal of on-line shopping is convenience. Electronic stores are open 24 hours a day, seven days a week. The services draw "too husy, two-income famities", say the electronic mer-

Most of the computer shopping services available today take the form of product lists with dstailed descriptions of the merchandise and discount prices. For people who know what they want - a particular brand of clothing or a specific model of a household appliance - on line shopping is a quick way to find a bargain. Without even a picture of the product, however, it is hard to imagine buying an outfit for a special occasion or a piece of furniture from an on-line service.
But multimedia computers



work Navigator, a free Internet

service provided by O'Reilly &

Associates, a California pub-lishing group, has established

are beginning to make electronic shopping much more interesting. Industry analysts predict that on-line sales of goods and services will a "travel resource centre".

mushroom into a multi-billion Users can watch a video clip three years as

modem can handle graphics,

audio and video clips, giving shoppers a much richer view of

the products available. Multi-

media also expands the range

of goods and services that can be marketed effectively on-line.

For instance, the Global Net-

timedia PC

(now selling in

the US for

dollar industry over the next promoting the delights of a holthe technology Electronic stores becomes more widely availand attract A high-performance mul-

are open all day a discussion 'too busy, twoincome families' about \$2,500) with a fast

Even with a fast modem, however, on-line access to mul-timedia services through tha telephone natwork can be tediously slow. A compromise

LETTERS TO

vice savings from less polln-tion and accidents. And busi-

ness (like individuals) will

benefit greatly from the reduc-

iday resort, read travel articles, join group where people share shopping market. travel experiences or check weather fore-

Yet electronic shopping may

images and sound. Updates on prices and availability, as well as ordering, are available

technology is long in the tooth," says Mr Stephen Tomlin, vice-president in charge of interactive technology develop-

have to have a rich interaction with the customer - show the merchandise, demonstrate its features and have a real dialogue. We are limited by cur-rent modem speeds," says Mr

"The problem with the on-line world today is that the

the role of the high-street tailor who knew your measurements, the corner grocer who used to deliver a regular weekly order to your home, or the saleswoman who helped you to select Christmas gifts.

ment at QVC, Home Shopping Network's rival in the cable TV "To be a good merchant you

competitive edge on the real

THE EDITOR

"It's not around the corner. approach that is gaining popularity involves publishing a but there is no doubt that it is be on the brink of a technology breakthrough that could give going to happen," saye Mr Adams. "We are young enough to wait." multimedia catalogue on a "virtual" shopping malls a CD-Rom disc which carries the

Number One Southwark Bridge, London SE1 9HL Pax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Road pricing would benefit UK economy lowered more, if one chose, given the National Health Sercharge for going through were

From Mr Andrew Tylecote. Sir, Charles Batchelor "Dying romance of the open road", October 19) is too gloomy about the obstacles to sea-change in transport pol-

tion in congestion - high-tech-Electronic road pricing will nology industry is more concarned with speed and not damage the economy at all on the contrary. The revenue reliability than with direct cost raised will allow existing taxes of transport. Country-dwellers will not be to be lowered by the same amount in fact, they could be

road pricing (and tight pollu-tion control) is introduced first in urban areas - where the charges would always be Traffic-blighted communities

Road pricing is a win-win waiting for? can have their bypasses with-Andrew Tylecote

out serious damage to the countryside as long as they are narrow and discreet. At present that would be pointless, because drivers would scorn disadvantaged if, as is sensible, such an alternative; but if the

option; what is the government Professor of the Economics and Management of Technology. Sheffield University Management School, 9 Mappin Street, Sheffield S1 4DT

high enough, they would go

speedy low-tech ID card - the back cover of the EU/UK pass-port. The blank reverse could contain the holder's signature. driving licence and National

Lucas pips Valeo to US

components

company

By Paul Cheeseright, Midlands Correspondent

Lucas Industries, the auto-

motive and aerospace compo-nent manufacturer, has moved to strengthen its US business

by agreeing to buy for \$87m (£54m) cash Lake Ceuter Industries from Guy F Atkin-

son of San Bruno, California.

This is \$7m more than the

sum which Valeo, the French

components manufacturer,

said it would pay for the com-pany. Valeo announced last

Monday that it had reached

agreement to buy LCL
Atkinson and Lucas had

been "talking over the last few

weeks", Lucas said. The dis

City institutions handling the imminent flotation of EVC International, Europe's largest PVC manufacturer, yesterday rejected claims that they had over-valued the company and failed to warn potential inves-tors of environmental risks.

SG Warburg and Kleinwort Benson both accused Greensure group, of using selective and distorted facts in a circular urging fund managers to avoid the float, which is expected to value the company at more

In its first-ever approach to institutional investors, Green-peace criticised research on EVC by Warburg, joint global co-ordinator to the placing and open offer, and Kleinwort Benson, lead manager on the issue.

on the basis of these reports would, in our view, overstate the company's worth," Green-

The Dutch-based company, jointly-owned by ICI and Eni-chem of Italy, will inveil its flotation price tag on Monday when its pathfinder prospectus

Researchers at Greenpeace, however, warned that the newly floated company would face mounting environmental and safety pressures, prompted by concerns over dioxins and other toxic emissions during PVC production.

"The increasing availability of viable substitutes will erode traditional PVC markets in Europe and the US," the pressure group added. Warburg, which described the environmental pressures

on EVC as "limited", said it stood by its views and was confident of support from fund managers.
Officials at Kleinwort, mean-

while, said: "We have never glossed over the environmental controversy surrounding PVC. But our tentative view is that these pressures are past their Environmental concerns and

restrictions on the use of PVC, particularly in packaging, con-

tributed to combined pre-tax losses of Fl 827m (£304m) at EVC over the last three years. Although cost cutting is anderstood to have improved the joint venture's financial performance in recent months, ICI – which publishes its thirdquarter results next Thursday is expected to endure a

cussions continued despite the Valeo announcement, indicat-£125m write-down on its EVC ing that Atkinson had been playing one potential buyer off against the other. Valeo said that it "had not accepted a new request on the part of Atkinson to increase tha acquisition price and to modify certain essential condi-tions initially agreed." It

would not therefore go ahead with the purchase.

Both Valeo and Lncas have been auxious to build up their presence in the US. Lucas. seeking to strengthen its core antomotive and aerospace activities, will fit LCI into its automotive Body Systems business, which specialises in electronic systems used inside vehicles. Body Systems is one of the nine business areas

tral to its future. LCI's speciality is the manufacture of control systems for beating and ventilation of vehicles, products which Lucas has not made.

This year LCI expects sales

Lucas has designated as cen-

The purchase will enhance its ability to offer complete in-vehicle electronic syst-

its size. of \$110m, rising to \$140m next year. In 1993 it had pre-tax profits of \$5.7m and net assets of \$23.2m. LCI works on eight sites and employs 1,370 people.

Sphere board recommends bid rejection

By Bethan Hutton

The board of Sphere Investment Trust yesterday accept an offer from Dartmoor Investment Trust.

the shares, or selling them in the market. Warrant holders were advised to accept a sepa-rate offer for their warrants. Dartmoor is offaring eight new income shares for every 25 Sphere income and residual capital shares. It has received provisional acceptances for more than 52 per cent of the shares, held by itself, its managers, Exeter, and Abtrust Fund Managers.

not believe this was a fair or reasonable offer for the shares, but acknowledged it was likely that the bid would become unconditional.

broadly equivalent portfolio to the past, until it was liqui-dated as scheduled, or rolled over into a successor trust.

Demand from generators will slump in late 1990s, report predicts Value of coal assets questioned

British Coal mines have offered far more than is being paid for coal assets on the international market, according to an analysis published

The report in Coal UK, the Financial Times newsletter, predicts a slump in demand for coal from the electricity generators in the late 1990s. It will fuel questions over whether the bidders have paid too much and can sustain long-term prof-

The report casts doubts over the ability of RJB Mining, cho-sen as preferred bidder for all three English regions, to make significant profits after 1998, when existing contracts with the generators end.

believe that its margins will be sufficient to cover ongoing costs, the costs of closures and any leftovers from the bid". Coal UK says that whether the bids are measured in

pounds per tonne of reserves or pounds per tonne of saleable coal the winning bidders for England and Wales are paying much more than has recently been paid for coal assets in other countries.

"Overseas investors would almost certainly look on British Coal as high cost and producing poor quality coal."
RJB's £900m bid equates to £1.54 per tonne of reserves and £28 per tonne for saleable

The report says that only

higher recently and that involved low sulphur mines. "All other international deals were at less than £24 a tonna and the vast bulk at

The report forecasts that the English power market for coal is likely to be squeezed further following government deci-sions to allow new gas-fired power stations.

The English market could be below 25m tonnes by 2000, according to the analysis. National Power and Power-Gen, the two fossil-fuel generators, currently buy 30m tonnes a year. RJB has said it sees limited decline after

Mining (Scotland), the con-

sortium in which Waverley Miniog Finance and Coal Investments have stakes, is believed to have offered £60m to become the preferred bidder for British Coal's Scottish minmiet st

ing assets.
This equates to £1.58 per tonne for the reserves and £12 a tonne for saleable coal.

"The latier figure is the only one that fits into the international perspective. The reserve valuation is way above compa-rable international deals which range from 20p to 40p per

Celtic Euergy's estimated £95m tender for South Wales which also has preferred bidder status, equates to £1.79 per tonne of reserves and £47.50 per tonne of saleable coal.

Aviation setback leaves Hunting down at £13.5m

By Christopher Price

Tough trading conditions in ths aviation business dented first balf pre-tax profits at Hunting, which yesterday reported a 24 per cent decline from £17.7m to £13.5m although last year's figure was flattered by a £5.8m contribution from the sale of a subsid-

iary.
At the operating level, profits from continuing operations were down 10 per cent from £18.3m to £16.5m.

Operating profits in the aviation division fell from £3.7m to £1.5m on turnover up 9 per ceut at £81.1m (£74.7m). A lack of orders from both the civil and military aviation sides hit the group's overhauling and fitting business. Likewise, slack demand for the Saab 340 and BAe Jetstream 41 aircraft affected the company's interiors business.

On the defence side, operating profits rose 42 per cent to £7.4m (£5.2m) on turnover 77 per cent ahead at £223.8m (£126.7m). The figures were boosted by the first full interim Aldermaston. This included an operating profit of £2.8m.

contribution from the managemeet contract to run the Atomic Weapons Establishment at Profits from the oil services Ken Miller; special circumstances affected performance this year prices in the first quarter. declining 19 per cent to £7.6m (£9.4m). Turnover fell 17 per cent to £254.2m (£305.3m).

Earnings per share fell from 8.3p to 4.6p. The interim divi-dend is maintained at 4p. Despite the downturn, Mr Ken Miller, chief executive, was optimistic on the outlook for the group. "There have been special circumstances this year which have affected

fits from our cost saving programme will come through next year, the outlook for the aviation business is mors Group turnover advanced 10 per cent to £559.1m (£509.8m). favourable, the defence business order book is good and there's more activity in the oil

> The market took a dimmer view and the shares slipped 3p to 159p, their lowest point since December 1993. Analysts cut their profit forecasts for the year by about 15 per cent. with most settling in a range

F&C share issue to raise £115m

By Bethan Hutton

Foreign & Colonial Emerging Markets Investment Trust is set to raise up to £115m of new capital with a C share issue. Institutional investors have already spoken for 85m C shares at 100p during the placing stage, and a further 30m shares are available in a public offer opening on October 24.

Demand has already exceeded

F&C's expectations; the group had expected to cap the issue a package premium - taking both shares and warrants into

The trust currently has assets of about £150m. The additional capital will make it tha second largest general emerging markets trust, after Templeton Emerging Markets, which has assets of £509m. According to figures from Smith New Court, the F&C

account - to net asset value of 8.9 per cent, meaning that even after costs, the new issue should be a cheaper way to buy into the fund than acquiring shares in the market. The trust's current asset

allocation gives the heaviest weighting to Latin America (43 per cent) and Asia (37 per Europe, the Middle East and Africa. Figures from the Association of Investment Trust Companies place its share price performance second in its sector over three years to end

Dealing in the C shares is due to start on November 18, and their conversion into new ordinary shares and warrants will take place by March 31

GEC asked to

The Takeover Panel indicated

yesterday that it had approached GEC to clarify

whether the industrial groop

was considering a hid for Brit-

ish Aerospace or VSEL, the

snbmarine manufacturer

which has agreed a takeover

offer from BAe.

clarify bid

intentions

BCE moves into electronic games with £14m purchase

By David Blackwell

Shares in BCE Holdings were suspended yesterday at 9½p, after the announcement of a deal that will take the snooker and pool products distributor into the electronic games industry and more than treble

The USM-traded group, which has a market capitalisation of just under £6m, has agreed in principle to acquire for £14m Rage Software and another similar company involved in the development of video and computer games.

Mr Robin Jones, managing director, said that the two companies, which together employ about 100 people, had devel-oped games that had sold bundreds of thousands of copies. One of Rage's most successful products was Striker, a football

Mr Jones and a partner bought into BCE from former chairman Mr David Fisher in October last year. Since then, said Mr Jones, the new management has transformed the group, which includes a chain of 10 games arcades in London. He expects the circular proposing the latest deal to be sent to shareholders in three to four weeks, with an extraordinary meeting soon after. The money is likely to be raised in a placing and open offer, After the purchase the

group's market capitalisation s expected to be at least £25m. The vendors of the games busi-nesses will be keeping a substantial amount of the equity. Last August, BCE reported a deficit of £796,000 before and after tax for the year to March 31. The outcome, on turnover of £3.73m, took in exceptional

The move follows a report earlier this week that GEC was considering a hostile bid for VSEL, but bad virtually ruled out an offer for BAe, the aircraft and defence equipcharges totalling £203,000.

ment company.

While the panel admitted it was following np the report, it is unlikely to force GEC to

clarify its intentions.

The group, headed by Lord Weinstock, emerged as a possi-ble predator for VSEL soon after it received BAe's £478.5m agreed bid last week.

head off a counter-bid by telling GEC it would be prepared to resume talks on merging the two companies' defence interests if it abandoned its interest in the Barrow-based shipbuilder. GEC was said to be unimpressed by the offer.

Both groups are interested in VSEL because it would extend their interests in shipbuilding, and would bring the £2.5bn contract for the next generation of five Trafalgar

NatWest signs Mondex cash card deal with Hongkong Bank

By John Gapper, Banking Editor

National Westminster Bank bas made the first step in its attempt to establish global usage for its Mondex electronic cash card by selling the rights to franchise the card in several Asian countries to Hongkong & Sbangbai Banking Corpora-

NatWest is also in talks with banks in Germany, France and the US to sell the rights to franchise and develop the use of the card in those countries. In return it is offering them equity stakes in a new com-pany that will cootrol Mondex, in which NatWest will have a NatWest is planning to test the card - which can be loaded by consumers with electronic cash units and used in shops to pay for goods and services - in Swindon next year. The British rights are held by NatWest in partnership with Midland Bank and British Telecom.

Hongkong Bank, which is a subsidiary of HSBC Holdings, has acquired the rights to franchise the card in Houg Kong, China, India, Indonesia, Macau, the Philippines, Singapore, Sri Lanka, Taiwan and Thailand. Hongkong Bank Malaysia will have righta in Mal-

Mr Bert Morris, deputy chief executive of NatWest, said that the bank was in talks with with an adapted telephone.

about 30 banks in 115 coun-Mr Morris said ha believed NatWest would be able to charge UK consumers for the use of the card. "We have not taken any decision, as my inclination would be not to give it away. The banking

many things away." He said the agreement gave Hongkong Bank axclusive rights until 2005, but that Nat-West was talking to other banks in south-east Asia. NatWest wants to establish Mondex as the worldwide stan-

industry has given far too

dard for cash cards. It uses a microchip to store cash units, and can be loaded at home

It recommended retaining maker

Sphere'a board said it did ment would be made "when appropriate".

Its recommendation was based on assurances from Dartmoor that Sphere would continue as a saparately quoted trust, retaining tha aame managers, with a

ASW in talks over French deal partly reflected the depressed ers, including Ludwig of Ger-By Andrew Baxter in London

and John Ridding in Paris

it was in talks which may lead to it buying a majority stake in Société des Aciers d'Armature, tha steel reinforcement operations of Usinor Sacilor, the state-owned French steel-

A deal with Usinor would give the Cardiff-based steel products and construction systems group its first steel plants outside the UK, ending a long search for a sizeable European acquisition. It would increase its workforce by more than 50 per cent to 3,400. No price was disclosed, and ASW said a further announce-

Usinor, Europe's largest steelmaker, said the disposal of SAM, which manufactures wire and rods for use in reinforced concrete, was part of its strategy of concentrating on core activities.

Over the past few years, Usinor has been restructuring SAM, which suffered losses of FFr270m (£32.4m) last year on sales of FFr2.3bn. The losses state of the construction mar-ket in 1993 and the costs of larbed Gent of Belgium. renovating the com naces.

The French group said SAM's results would show an improvement in 1994, while industry observers said the subsidiary should come close to break even for the year. SAM has a total workforce of about 1,150 and produces concrets reinforcement steels at two plants, one near Paris and

pean wire mesh manufactur-

the other in the Lorraina

It also controls several Euro-

The negotiations with ASW are expected to involve the sale

of a majority stake in SAM, rather than the entire Usinor holding. The British group would take management con-Purchase of a stake would extend ASW's presence in the

steel reinforcement business, one of the products within its Allied Steel and Wire busi-A deal is likely to be fol-

lowed by cost-cutting at SAM,

Telemetrix US offshoot expands

Telemetrix, the supplier of specialised electronic components, said that GTI, its 58 per cent-owned US offshoot, is buying 70 per cent of Promptus Communications for about \$19m (£12m) cash. Promptus supplies high-speed digital network access solutions for videoconferencing, largescale data transfer, image transfer, transmission of integrated voice/data/video information and

other multimedia applications. GTI will fund the purchase partly from its own cash resources and term debt and partly from a placing of up to 650,000 shares. Teleme-

Promptus' management will continue to operate the company and will retain the remaining 30 per cent interest. The acquisition is expected to close within 60 days and in the interim GTI will make a pre-closing cash infusion of \$500,000 to fund product development.

At the same time, GTI reported a 44 per cent fall in net income from \$3.56m to \$1.99m for the third quarter to September 30. Sales were 13 per cent ahead at \$37.1m (\$32.8m). Earnings per share were 20 ceots (35 cents).

Rebel Barrs to oppose plans to enfranchise non-voting shares

By Richard Wolffe

Mr Nicholas and Mr Robert Barr, the brothers who are attempting to unseat their oncle. Mr Malcolm Barr, as chairman of Barr & Wallace Arnold Trust, yesterday pledged to vote down the board's plans to enfranchise

non-voting shares. The brothers, who speak for 30 per cent of the voting shares, sent a letter to Hambros, the leisure and motor distribution group's financial advisers, stating their opposition to the board's resolution. The board needs a 76

Kingston Transport.

per cent majority to succeed. They also repeated their demands for the removal of Mr Malcolm Barr along with his chief executive, Mr John Parker, and his finance director. Mr Brian Small. A second meeting will vote on Mr Parker and Mr Small before December. "This did not start out as a family feud," said Mr Nicholas

position on the board. He chose to have no interest in any of

those proposals."

Stagecoach £8.36m acquisition

Ironically, anfranchisement is one of the rebels' principal "Wa tried to the best of our ability to persuade Mal-colm Barr to take a graceful and dignified exit from his

declared its intention to con-tinue with its EGM, and is expected to issue a document next week, which is thought to include an andited profit forecast, as well as details of the 1-for-1 scrip issue to compensate ordinary shareholders for the loss of voting control.

proposals for modernising the company. The groop's 10m non-voting shares are mainly owned by institutions. Nicholas and Robert are the managing director who died The board yeaterday two years ago.

of £442,000, against £440,000.
The shares fell 9p to 46p.
The figure, which Mr Peter
Johnson, chairman, described
as "disappointing", came from turnover of £43.2m (£48.6m) for the year to May 31. The 1993 loss was, however, struck after

(£1.59m) as borrowings remained "unacceptably high". After tax of £118.000 (£2.000) losses per share deepened to 11.5p (8.6p). The proposed divi-dend is maintained at 0.5p.

Air London lower Turnover at Air London International, the charter broker, rose from £15.2m to £18.1m for the year to July 31.

sales efforts, left pre-tax profits

13 per cent lower at £640,000, against £726,000. Earnings per share dropped to 4.7p (5.5p) bot an unchanged recommended final dividend of 1.9p holds the total at 3.5p. Mr Tony Mack, chairman, said that most progress had been shown by the executive aircraft charter operation, par-

Azlan statement

ticularly in the second half.

Azlan Group, the computer networking products distribu-tor, said operating profits for the half year to September 30 would be in line with managemeot axpectations at about

8ales wera expected to be £37.7m, with a gross profit margin of about 25 per cent. Trad-ing had been slow in the UK in the first half of the year but overseas trading was strong and an improvament was

British & American Film Holdings, the investment company with small film production and distribution activities, reported pre-tax profits of £675,000 for the six months to June 30,

Tha increase was achieved on turnover of £839,000 (£775,000). The interim dividend goes up to 4.8p (4.275p),

payable from earnings of 18.48p (14.29p). Sir John Woolf, chairman, called on the Accounting Standards Board to review the impact of the introduction of

nate effect of introducing a significant element of unneces sary volatility to our results". On a pre-FRS 3 basis, the pretax line amounted to £697,000 and earnings to 19.24p.

FRS3 to counter "the unfortu-

NEWS DIGEST

HG Smaller

Net asset value of the Hoare Govett Smaller Companies Index Invastment Trust dropped by 5.5 per cent to 126.56p per share in the Six months to September 30, against 133.92p at March 31. Net available revanue increased to £883,136 (£636,939) and earnings per share came out at 1.33p (2.23p). An unchanged interim dividend of

R&M Geared

March 31 and 36.05p a year ear-

(2549,000) giving earnings of The final dividend was 4.1p 3.29p (3.92p) per income share. The second interim dividend is maintained at 1.4p, making 2.8p to date, and the directors hope to pay a total of at least last year'a 7.525p.

Ecu Trust

Net asset value per share of the Ecu Trust fell 6 per cent from 71.3p to 67p during the 12 months to June 30. Net revenue for the year was £224,304 (£229,476) after an increased tax charge of £160,484 (£73,715). Earnings per

share were 0.75p (0.76p) and a single unchanged final divi-

Govett Strategic

dend of 0.5p is proposed.

Net assets of Govett Strategic Investment Trust dropped from 298.07p to 271.14p per share in the year ended September 30. Net available revenue was £6.69m (£7.03m) and earnings per share came to 6.78p (7.16p).

(same), for an unchanged total

London American

London American Growth Trust ended the six months to September 30 with net asset value per sbare at 56.6p. This compared with 64.5p at the end of the year to March 31 1994 and 53.3p at the end of the previous first half.

£63,000 (£804,000). Net losses were £344,000 (£392,000 profits), for losses per share of 0.38p (0.36p earnings). Holliday Chemical Holliday Chemical Holdings.

the speciality chemicals manu-facturer, has acquired Mal-

linckrodt's photo-chemical

plant in Dieburg, Germany, for

Total income declined to

about \$8m (£5m) cash. Some \$5m is payable on completion with the balance a year

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Air London §fin Brit Amer Filmfin High-Pointfin Hunting	1.8 4.8 0.5 4	Dec 8 Nov 25 Dec 1a	1.8 4.275 0.5 4	3.5 0.5	3.5 13.575 0.5 10

Stagecoach Holdings, the bus and coach operator, is acquiring Cleveland Transit and the rest of Kingston Upon Hull Transport, which

provides bus services in Middlesbrough, Stock-

too-on-Tees and Hull, in a £8.36m deal. Undertakings to accept the agreed offer have

been received in respect of 51 per cent of the shares in Cleveland, which holds 51 per cent of

and could involve the issue of 3.59m shares. There are 385p-a-share cash and loan note alter-

The 359-for-200 offer values Cleveland at £7.7m

The 305,970 share offer for the outstanding

stake in Kingston Transport is worth £656,000. In the year to March 26 Cleveland reported pre-tax profits of £950,000 on turnover of £11.4m. Net assets at the period-end were £117,000 after writing off goodwill of about £1.2m.
The results included Kingston from December

10 in which time it had pre-tax profits of £50,000 on turnover of £2.4m. Stagecoach said that Cleveland already had operating margins of 10 per cent.

Nonetheless, improved profits could be achieved with further investment in new vehicles and economies of scale from tha

High-Point loss little changed

The expected return to profitability at High-Point, the engineering and consultancy group, failed to materialise and there was a marginally increased full-year pre-tax loss

a profit of £955,000 oo the disposal of discontinued Interest charges took £1.07m

However, pressure on margins and higher overheads,

expected in the second half. Brit American Film

against £618.000. arising mainly from increased

Net asset value of River & Mercantile Geared Capital & Income Trust 1999 dipped to 38.28p per preferred capital share as at September 30, against values of 36.63p at

Attributable revenue for the half year to eod-September fell 16 per ceut to £461,000

INTERNATIONAL COMPANIES AND FINANCE

Hochtief stalks Holzmann stake

By Michael Lindemann in Bonn

Company of

tale askets

Clarify by

Tille Hilliam

Hochtief, Germany's second largest construction company, may try to get a controlling stake in Philipp Holzmann, if its larger rival does not co-operate with efforts to co-ordinate their foreign operations.

Mr Hans-Peter Keitel, Hochtief's chief executive, said his company would need a shareholding of about 40 per cent to control voting at Holzmann shareholder meetings where usually a maximum of 80 per cent of the shares are represented.

However, he said he would not push for a full merger of the two groups which would remain competitors in the German market.

In mid-September, Hochtief

with US brewer

Sapporo Breweries, the third

largest of Japan's four main

By William Dawkins in Tokyo

, 11-year link

cent in Holzmann by buying a further 10 per cent from BfG Bank Mr Keitel said since then Holzmann had made what he called an "emotional" rejection of any ideas of co-operation.

Hochtier's increased stake is being reviewed by the Federal Cartel Office which is examining a range of different markets, from tunnel boring to bridge building, to see whether competition would be distorted The review is not likely to be

complated until mid-January. However, if Hochtief wins approval to go over the key 25 per cent share threshold which allows it to block supervisory board decisions there are no reasons why Hochtief could not raise its stake to 49.9 per

Hochtlef is likely to be able said it would raise its 18.7 per to pick up the 5 per cent stake

held hy Commerzbank, tha will try to persuade Deutsche group's house bank, but it is unclear where it will find the outstanding shares.

Deutsche Bank, with 25.9 per cent, is the largest of Holzmann's shareholders. Yesterday it refused to say wbether it would sell any of its shares.

"We are observing the situation and must wait for signals from the monopolies authority," the bank said.

Holzman said institutional investors held about 9 per cent of the company and that thebalance was held by small shareholders, many of whom do not attend meetings. Since Hochtief unveiled its strategy, Mr Lothar Mayer,

Holzmann's chief executive, has said be wanted the

company to remain independent. It is likely that he

Bank not to sell its shares. He will argue that if Hochtief wins control it would give RWE which owns Hochtief and is also the country's largest utility, a too powerful position in Germany.

Deutsche said earlier this year it would reduce its shareholdings in a number of German companies and use the money to buy stakes in hinted that it did not regard its Holzmann holding as a etrategic investment by refusing to participate in a

rights issue last year. Hochtief has a turnover of about DM8bn (\$5.1bn), less than Holzmann's DM12.4bn, hut is considerably more profitable, reporting earnings last year of DM122m compared

Sapporo to end Japan's brokers stall at halfway

By Emiko Terazono in Tokyo

earnings at Japan's leading

beer compenies, plans to end its 11-year-old distribution deal with Miller Brewing of the US. Sapporo wishes to end its exclusive partnership with Miller, a unit of Philip Morris, to free itself to distribute a wider range of foreign beers, the Japanese brewer said.

The present contract restricts Sapporo to selling Miller's and no other foreign beer, a disadvantage to the Japanese partner at a time when beer imports to Japan are rising fast. The pair had come to an amicable agreement to end their partnership

within the year, Sapporo said. Foreign beer sales in Japan multiplied five-fold in the first half, propelled by the ease with which the yen's strength allows them to undercut Japanese beer prices. There has heen a shift in consumer taste, and decline in brand loyalty.

Even after their fast growth, beer imports take only a 3 per cent market share, compared with Sapporo's 18.5 per cent. But the growth in competition has been enough to trigger a beer price war and oblige brewers to review their distribution and production arrangements. | cent to Y51.2bn, while under-

Japan's leading brokers were beld back by lower-than-expected stock market volume which resulted in reduced stock hroking commissions. Most securities houses had expected average daily turnover to total about Y400bn (\$4.1bn) for the first half to September, but brokerage offi-cials said the actual figure had

been about Y350bn, down 15 per cent from a year earlier. They also hlamed the reduction in bond trading profits due to the bond market fall earlier this year. In spite of reduced costs, the

fall in revenues bit all brokers, with only four - Nomura Securities, Daiwa Securities, Nikko Securities and Kosei Securities out of the top 20 managing to avoid losses on the after-tax profit level

Salomon Brothers in Tokyo said equity brokerage commissions declined by 20.4 per cent for the top 20 brokers. Underwriting commissions were up 38.2 per cent while gains from stock and bond trading fell 60 per cent.

At Nomura, the industry leader, income from stock brokerage commission fell 14.6 per

writing commissions rose 3.8 times to Y11.5m thanks to active convertible bond issuance.

For the full year to next March, the company expects a 38 per cent rise in recurring profits to Y70bn on a 3 per cent increase in operating income

Daiwa's stock brokerage commission income fell 25.1 per cent to Y36.8bn and stock underwriting commission income feil 11.4 per cent to For the full year, the com-

pany forecasts a 23 per cent

decline in recurring profits to Y40bn and an 8 per cent fall in revenue to Y273bn. Nikko saw its stock brokerage commissions fall 20.8 per cent to Y38.7bn bnt stock

underwriting commissions rose 2.4 times to Y7.3hn. The group expects recurring profits to fall 14 per cent for the full year to Y30bn on a 7 per cent decline in operating income to Y260bn.

Yamaichi posted a 22.7 per cent drop in stock brokerage commissions while stock underwriting commissions rose 3.6 times.

For the full year, the company expects a 27 per cent fall in recurring profits to Y13bn and a 3 per cent reduction in operating revenues to

The smaller brokers, which rely more heavily on stock hrokerage commissions from retail clients were especially hard hit by the sluggish market volume and the inactivity among individual investors. Sanyo Securities, which faced an erosion of its market share posted a recurring loss of Y13.5bn, while New Japan, Wako, and Okasan which managed to return to the black for the year to last March, fell back into the red.

Of the 10 second-tier brokers, only Sanyo and Kankaku are forecasting losses on the recur-ring level. However, since the estimates are based on projections that average daily turnover will total Y400bn-Y450bn, analysts expect many of the other smaller brokers may not achieve their forecasts.

-	***	10 50001				
Big four brokers' results						
		Yen (bn)	% charge	Yen (bn) recurring profits	% change	
	;	190.9 124.9 116.8 100.3	-5.5 -21.1 -15.1 -17.1	22.5 7.3 2.3 -8.7	-11.3 -79.4 -81.9	

confirms ousting of director

By Andrew Fisher in Frankfurt

The ousting of Mr Werner Schmidt as Volkswagen's finance director was confirmed yesterday by the German car company. The group gave no reason for the widely expected decision which has been linked to heavy losses at VW's Seat subsidiary in Spain.

After a meeting of its supervisory board, the non-executive board which decides top management appointments, VW said Mr Schmidt, 62, would step down at the end of the year. He would continue to advise the company on a consultancy basis.

Last year, Seat nearly col-lapsed, making an unexpected loss of DM1.8bn (\$1.2bn). Seat's chairman, Mr Juan Antonio Diaz Alvarez, was sacked last autumn; the rest of the top management has since been replaced.

Mr Schmidt was head of Seat's supervisory board at the time, although there has been no suggestion be was any more aware of Seat's problems than Mr Ferdinand Piech,

VW's chairman. Mr Schmidt, with the group for 27 years (including 19 on the board), was not one of Mr Piech's close associates. Relations have been cool since Mr Piech became head of the group at the start of 1993. It appeared that his determination to remove Mr Schmidt whose career has included spells as head of exports, chairman of VW in Brazil and head of Audi, the executive car last month after a secret auditor's report by the Arthur Andersen accountancy concern on how the Seat losses

occurred. VW said yesterday it intended to implement recommendations by Arthur Andersen aimed at tightening up its financial controls, Following Mr Schmidt's departure, Mr Bruno Adelt will become board member for financial controlling and accounting and Mr Jens Neumann, the director responsible for group strategy, would add the group treasury function to his activi-

Volkswagen American Brands lifted by cigarette operations

By Richard Tomkins in New York

A big increase in profits from cigarettes helped American Brands, the US consumer products group, lift net income 79 per cent to \$152m in the third quarter, the company reported

Like Philip Morris, which reported earlier in the week, American Brands benefited from a favourable comparison with a year in which US cigarette makers were badly hit by a bout of price cutting in their domestic market.

American Tobacco, the groop's cigarette manufacturing operation, contributed operating profits of \$49m compared with a loss of \$35m last

provision.

Earlier this year, American Brands agreed to sell American Tobacco to BAT Industries of the UK, for \$1bn, but the sale is undergoing an anti-trust review by the Federal Trade Commission because BAT owns Brown & Williamson. the third biggest US tobacco

Group revenues rose 11 per cent to \$3.7bn and operating profits rose 39 per cent to \$345.4m. Earnings per share rose to 75 cents from 42 cents helped by a reduction in the tax charge to 42 per cent from

47 per cent Mr William Alley, chairman and chief executive, said the

time. The prior year's losses company bad experienced included a \$30m restructuring broad gains across most of its operations, Gallaher Tobacco. the UK's biggest cigarette company, increased its contribution by 5 per cent even though last year's third-quarter benefited from trade buying in advance of an August 1993 price increase.

Non-tobacco operations increased their contribution to operating profits by 6 per cent

to a record \$182.5m.

The group saw double-digit increases from distilled spirits and from each of the businesses described by American Brands as long-term growth operations: hardware and home improvement products. office products and golfing

Poor sales hold back Kellogg

By Richard Tomkins

Another quarter of poor sales in the US held back profits growth at Kellogg, the US breakfast cereal maker, in the three months to September. Net income rose 4 per cent to \$216.7m from \$209.3m, lifting earnings per share to 96 cents

from 90 cents. Kellogg said US cereal volumes were hit because it reduced promotional spending on money-off coupons. However, it said the setback was more than offset by solid results from Europe, Latin America and the Asia-Pacific region. Sales rose 4 per cent to \$1.74bn.

Kellogg, like other manufac- achieve long-term profitable

turers of premium cereal brands, has been fighting tough competition in its home market from cheaper products and own-label brands. Earlier this year General Mills, Kellogg's biggest competitor,

in promotional spending and cutting prices by 11 per cent. Kellogg has cut promotional spending, but is reluctant to win back market share by cutting prices. Instead, it is using the money saved on promotions to increase advertising. Mr Arnold Langbo, chairman and chief executive, said: "We are monitoring the situation

switched strategy by reigning

carefully, but continue to believe that the best way to

growth is by introducing successful new products and investing in brand-building

advertising."
One factor that should have belped Keliogg's US sales was the disruption that hit General Mills when It discovered its cereals had been treated with an unauthorised pesticide and had to throw away 50m boxes

of cereal. Kellogg has focused on growth overseas: "We are particularly pleased that we achieved volume growth in virtually every developing market around the world, and are encouraged by the initial consumers in India, our newest market," Mr Langbo said.

Workers will own Digital unit

The coperative bank

The German subsidiary of Digital Equipment, the lossmaking US computer maker, is establishing an independent, employee-owned company to provide continued employment for about 1,500 staff. The unit is being forced to sack them as part of its restructuring mea-

The new company, Mitarbel-tergeeellschaft (Employee-owned Company) or MAG will

Why bank with one that isn't?

be set up in Munich, Employees transferring to the new company will have their length of service recognised by the new company in addition to their salaries, fringe benefits and retirement schemes.

Mr Klaus Lutz, personnel director for Digital Deutsch-land, and Mr Dieter Jung, chairman of the company's works council said the initiative was: "An innovative way of securing employment". The plan was approved yes-

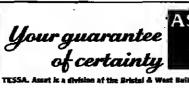
terday by Digital Deutschland, the German trade unions and the local works council. MAG's initial business will come from Digital Dentsch-

land. It will be free to market products and services in areas of the computer business where Digital no longer intends to operate. It will be free to open up new markets on its own initiative. The only constraint will be that the company should not compete directly with Digital.

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WEEK IN THE MARKETS

Copper reaches 4-year high

London Metal Exchange prices burst upwards this week tak-ing copper to its highest level for nearly four years. Aluminium and nickel prices also rose sharply, respectively to fouryear and two-year peaks.

The upward surge was helped by a weakening US dollar, which made base metals prices look cheaper in other currencies, but was particularly influenced by investment fund and speculator buying.

This explains in part why metals prices are moving up strongly even though LME stocks - except copper - are still substantial. The funds are anticipating strong global economic activity that will trans-late into high metals demand. Since the depressed condi-

tions of last autumn, LME three-month copper prices have risen by 60 per cent, aluminium by 70 per cent and nickel by 75 per cent. Some selling and book-squaring ahead of the weekend left prices last night lower than at Thursday's close. Nevertheless. Copper closed 3 per cent higher than on Friday last week at US\$2,556.50 e tonne, aluminium was 2.7 per cent up at \$1.753.25 a tonne and nickel had advanced by 4.7 per cent to \$6,987,50.

Some analysts suggested there were solid reasons for the surge. Mr Wiktor Bielski, analyst et Bain & Co, e Deutsche Bank subsidiary, said that first-half demand for aluminium, copper and nickel, had risen by 7 per cent compared with the same months of 1993. while lead and zinc demand was up by 4 per cent, "twice as strong as even ardent bulls had predicted".

Meanwhile, added Mr Bielski, supplies had fallen along with exports from the former eastern bloc - apart from those of aluminium. Also, some LME stock was not immediately available because it was tied up hy financing deals.

			Year	19	994	
	prices	on week	9go	High	Low	
Gold per troy oz,	\$390,70	+3.10	\$368.00	\$396.50	\$389,50	
Silver per troy oz	329.50p	-8.4	299.45p	384.50p	328.50p	
Aluminium 99,7% (cash)	\$1734.5	+43	\$1094.5	\$1754.5	\$1107.50	
Copper Grade A (cash)	\$2652,6	-69.Q	\$1615.5	\$2586,00	\$1731.50	
Lead (cash)	\$651	+9.0	\$401.5	\$643.5	\$426.0	
Nickel (cash)	\$6877,5	+302,5	\$4583.5	\$6920.0	\$5210.0	
Zinc SHG (cash)	\$1067.5	+23.0	\$933.0	\$1071.5	\$900.5	
Tin (cash)	\$5520.0	+117.5	D.0984-2	\$5050.0	\$4730.0	
Cocos Futures Mar	12981	+14	2966	£1124	2859	
Coffee Futures Jan	\$3663	+155	\$1205	54091	\$1175	
Sugar (LDP Raw)	\$317.3	+12.1	5261.8	\$317.5	\$252.8	
Barley Futures Jan	£104.25	-0.60	£103.00	2105.50	£92.65	
Wheat Futures Jan	£107.25	+0.85	£100.75	€117.50	£97.80	
Cotton Outlook A Index	73.80c	+0.20	54,400	87.10g	62,450	
Wool (64s Super)	440p	+4	334p	485p	342p	
Of (Brent Blend)	\$16.252	+0.47	\$16.90	\$1281	\$13.16	

"Sensationally strong" fun damentals would ensure that even if prices fell because of profit-taking, they would recover quickly, he insisted. However, Mr Nick Moore et Ord Minnett, an associate of

Jardine Fleming, warned there was a great deal of moth-balled capacity that producers could quickly reactivate. "The mar-ket is behaving as if stocks are at critically low levels and they clearly are not."

He pointed out that only copper, where stocks represent 5.6 weeks of consumption, is near-ing levels where the stocks-toconsumption ratio is critical. Lead stocks amounted to more than nine weeks consumption, aluminium eight weeks, while zinc and nickel have stocks for 17 and 19 weeks respectively. Given the size of the stocks

Alumintum	-45,675	10 2,121,025
Aluminium alloy	+140	to 25,660
Copper	-400	10 338,400
Lead	+1,650	to 370,125
Mickel	+780	to 147,966
Zinc	-775	to 1,238,575
Tin	-235	to 31,220

nickel's price rise this week surprised some observers. However. Mr Heinz Pariser of Heinz H Pariser Alloy Metals & Steel Market Research, said that nickel demand was likely to grow by 7.7 per cent to a record 740,000 tonnes this year, leaving the market with a 33,000-tonnes supply shortage. Meanwhile, coffee prices went on a rollercoaster ride

stricken coffee trees and to reports detailing the extent of damage to the 1995-1996 crop. Reports from Brazil show that trees previously undamaged by the two frosts earlie this year are now being affected by drought. After the frosts, the Brazilian government estimated that the

this week as traders reacted to

rain on Brazil's drought-

15.7m bags, but current estimates are looking gloomier. The January futures contract at the London Commodity Exchange ended the week just over \$150 a tonne higher at

1995-1996 crop would fall to

\$3.660 a tonne. Kenneth Gooding

Deborah Hargreaves **WEEKLY PRICE CHANGES**

	Lebest Change		Year	19	1994	
	prices	on week	ago	High	Low	
Gold per troy cz.	\$390,70	+3.10	\$368.00	\$396,50	\$389,50	
Silver per troy oz	329.50p	-8.4	299.45p	384.50p	328.50p	
Aluminium 99.7% (cash)	\$1734.5	+43	\$1094.5	\$1754.5	\$1107.50	
Copper Grade A (cash)	\$2552.6	D,98-	\$1615.5	\$2586,00	\$1731.50	
Lead (cash)	\$851	+9.0	\$401.5	\$643.5	\$426.0	
Mickel (cash)	\$6877,5	+302.5	\$4583.5	\$6920.0	\$5210.0	
Zinc SHG (cash)	\$1067,5	+23.0	\$933.0	\$1071.5	\$900.5	
Tin (cash)	\$5520.0	+117.5	5-4900.O	\$5050.0	\$4730.0	
Cocos Futures Mar	2981	+14	2966	£1124	£859	
Coffee Futures Jan	\$3683	+155	\$1205	54091	\$1175	
Sugar (LDP Raw)	\$317.3	+12.1	5261.8	\$317.5	\$252.8	
Barley Futures Jan	£104.25	-0.60	£103.00	2105.50	£92.65	
Wheat Futures Jan	£107.25	+0.85	€100.75	£117.50	€97.80	
Cotton Outlook A Index	73.80c	+0.20	54,400	87.10g	62,450	
Wool (64a Super)	440p	+4	334p	4850	342p	
Of (Brent Blench	\$16.252	+0.47	\$16.90	\$12.61	\$13.16	

COMMODITIES AND AGRICULTURE

ı- t, of d	(Prices from An	ETALS METAL EXC malgamated Metal To 1, 99.7 PURITY (\$ po	rading)
		Cash	2 mths
t	Close	1734-35	1753-53.5

PTEVICUS	1/34-30	1//4-/5
High/low	1749	1772/1747
AM Official	1748.5-49.0	1766-69
Kerb close	11 10.0 10.0	1749-50
		1/48-30
Open Int.	259,076	
Total daily turnover	63,874	
ALUMINIUM ALL	OY (5 per tonne	s)
Close	1710-20	1745-50
Previous	1730-35	1760-65
High/low		1750/1745
AM Official	1725-35	
	1720-30	1755-65
Kerb close		1745-50
Open Int.	2,854	
Total daily tumover	231	
- 1 FAD &		
LEAD (\$ per tonne	, ·	
Close	650.5-51.5	662-63
Prevácus	653-54	· 665-65.5
High/low	853	665/660
AM Official	653-53.5	664.5-65.0
Kerb close		663.5-64,0
Open Int.	42,875	
Total daily turnover	8.940	
NICKEL & per ton	TARRY	

Cerb close	903-03-0	663.5-64.0
Open Int.	42,875	
otal daily turnover	8,940	
NICKEL (\$ per ton	ne)	
lose	6875-80	6965-90
revious	6915-25	7020-25
figh/low		7025/8820
M Official	8890-900	7005-10
Cerb closes		7000-5
pen int.	96,656	
otal daily turnover	13,124	
TIN (S per torme)		
lose	5515-25	5805-10
revious	5560-70	5640-50
ligh/low		5640/5570
M Official	6660-65	5640-43

TIN (S per torne)		
Close	5515-25	5805-10
Previous High/low	5560-70	5640-50 5640/5570
AM Official Kerb close	6660-65	5640-43 5580-5
Open int.	19,774	
Total daily turnover	4,871	
ZINC, special hig		
Close Previous High/low	1 067-68 1071-72	1088-89 1090.5-81.5 1094/1086
AM Official Kerb close	1070.5-71.0	1091-92
Open Int.	102,000	1007-00
Total daily tumover	14.203	

High/low AM Official Kerb close	1070.5-71.0	1094/1086 1091-92 1087-88
Open Int.	102,000	
Total daily tumover	14,293	
COPPER, grade	A (\$ per torme)	_
Clase	2552-53	2556-57
Previous	2585.5-86.5	2584-84.5
High/low	2576	2573/2538
AM Official	2576-77	2570-71
Kerb close		2543-44
Open Int.	214,445	
Total daily turnover	103,230	
II LIME AM Official	£/\$ rate: 1.62	90

	4 4 0054 0 0	. 4 0000 04 . 4 044
Sport1.6265 3 m	2021.625] 6 men	s:1.6229 9 mths:1.619
HIGH GRA	DE COPPER (COMEX

		Day's			Open		
	Close	change	High	low	let	Yol	
	118.45	+0.45	119.00	116.60	1,323	458	
,	117.25	-0.50	116.00	115.70	1,508	107	
:	116.95	-0.65	118,30	116.20	42,397	4,261	
	116.40	-0.65	116.35	116.25	879	17	
	115.90	-0.65			570	67	
r	115,30	-0,70	116.70	114,66	8,935	1,665	
8					82,852	6,925	

ı	PRECIOUS METALS LONDON BULLION MARKET (Prices supplied by N M Pothschild)					
	Gold (Troy oz.)	\$ price	2 60			
	Close	390,50-390.90				

C1058	380,50-380,80	
Opening	391,60-392,00	
Morning fix	391,65	240.026
Afternoon for	390.96	239,773
Day's High	392,00-392,30	
Day's Low	390,40-390,80	
Previous clasa	390.80-391.20	
Loco Ldn Mean	Gold Lending Rat	e (Vs USS)
	4.65 8 month	
2 months	4.85 12 mont	hs5.40
3 months	4.85	
Show Hiv	ndimu tra	HS ets soute

emoon 1000	390.96	239,773	
/a High	392,00-392,30)	
'a Low	390.40-390.80)	
vious clasa	390.80-391.20	3	
nonth	.4.85 12 mor	tes (Vs USS) re5.03 ths5.40	
er Fbc	p/troy oz.	US cts equiv.	
ot .	331.00	540.00	
nantha	335.75	547.30	
nonths	340.95	554,90	
aer,	353.40	572.85	
ld Coins	\$ price	£ equiv.	
gerrand	393-396	243-247	

91-94

GRAINS AND OIL SEEDS Precious Metals continued ■ GOLD COMEX (100 Troy az.; \$/troy az.) WHEAT LCE (2 per tonne) Sett Bay's price change High Low 105.35 +0.55 105.90 107.25 +0.55 105.30 107.00 107.35 +0.25 108.50 109.35 111.35 +0.25 111.30 111.05 112.65 96.00 Day's Change High low htt Vol. 1 -0.5 391.8 391.1 42 11 -0.5 393.8 391.1 42 11 -0.5 393.8 392.2 83,877 29,078 -0.4 397.1 395.8 19,272 475

	40000	-	301.1		194517	71.0
Apr	399.9	-0.4	400.5	389.8	7,493	34
Jun .	403.5	-0.4	403.4	403.3	10.132	338
Total					187,072	32,483
- 72	TINUM	THE	1 00 11	OY OZ;	SAMON C	12.)
Oct	424.9	-2.7	428.5	424.0	105	-
مط	426.4	-3.2	430.5	425.5	20.884	7,328
Apr	430.7	-32	435.0	430.5	3544	222
Jul	434.9	-32			946	153
Oct	438.9	-32	_		358	46
Jan	441.9	-32		-	~~2	
	47.0	-3.2	-	•		
Total					25,638	7,751
■ PAL	LADIUM	NYME	X (100	Troy or	ഺ; \$/200	y (02.)
Oec	157.15	-0.50	158.00	157.00	4,630	410
Mar	156.30		15 2. 00			95
	159.40	-0.50		100000	262	80
Total	IQUATO	~~~	_	-	6.497	585
■ 8E,\		REX (10	XX Troy	صد; C4	rite/tro	702)_
Oct	529.5	-10.8			100	
Nov	530.5	-11.0	-			
Oec	532.5	-11.0	543.0	532 A	77.612	22 080
Jen	535.1	-11.0	540.0	535.0	72	
Mer	541.0	-11.0			15,248	1 221
May	547.0	-11.0	55B.O		4,677	174
Total					111,445	24.528
					,	

NA 15V (40 n		SOYABEANS OST (5,000bu psin; com Nov 548/4 -1/0 550/0 548/0	
NA 157 (40 C		Nov 548/4 -1/0 550/0 548/0	E7 704 24 000
TIMEN (42,U	(Iened\\$. S/barrel)	Jan 580/0 -1/0 581/4 558/0	37,604 8,629
ley's lenge High	Open Low let Vol	May 57778 -0/6 579/0 575/4	10,001 1,008 16,682 1,740
			1,034 72 152,146 53,206
		SOYABEAN OIL CET (60,000lbs:	cents/tb)
-0.06 17.57	17.50 18,025 2,796	Jun 25.13 +0.14 25.15 24.89 Mar 24.57 +0.07 24.07 24.42	33 1,787 33,135 15,295 12,957 3,943 12,949 3,880
	ey's enge High 0.18 17.76 0.13 17.77 0.04 17.73 0.08 17.68 0.06 17.57	iny's County Indian County Ind	Mar S70/2

CRU	DE OIL	IPE (\$/	berred)			
		Day's change	High	Low	Opea	Vol
	•	_				
See	16.35	-0.07	16.63	16.27	84,180	
iec:	16.28	-0.07	16.54	16.23	31,075	6,932
'sb	16.25	-0.02	16.45	18.18	12,503	2,185
Ser .	16.31	+0.11	16.38	16.31	6.717	724
lor .	16.19	+0.05	18.19	18.19	5,618	197
in	18,11	-	-	-	2373	
otal				:	253,272	32,387
HEA	TING O	IL KYME	X (42,00	O US pra	RE: C/US	(mila.)
	Latest	Day's			Ореа	
	price	change	High	LOW.	int	Yol
OV	49.80	-0.24	61.30	49.75	19,560	17,402
lec	50.10	-0.33	51,50		45.211	32,773
en .	50.60	-0.38	51.70		32,930	8.495
-	ET AE	0.30	E1 CO		10 404	4 244

Apr Apr Total	50.90 50.43	-0.08 +0.25	51.30	-	11,596 7,383 166,725	962
■ QA	S OIL PE	(S/tonor	1)			
	Sett	Day's change	High	Low	Open	Vol
Nov	151.00	-1.50	155.25	151.00	31,038	8,031
Dec	152.50	-1.75	158.75	152.50	23,978	8,410
Jan	154.50	-1.00	158.00	154.25	18,926	4,448
Feb	155.29	-1.00	158.25	155.00	7,858	1,111
Mar	155.25	-0.75	158.50	155.25	8.819	702
Apr	153.50	-0.50	156.75	153.50	2,269	35
Total					98,629	23,296
■ NA	TURAL O	AS NY	MEX (10,	000 mm	BOL; S/m	ത8മാ.)

	13224		1-0-3		98,629	23,296
W.	TURAL (RYN RAE	MEX (10,1	000 mmi	Bac; S/m	ന8മാ.)_
	Latest price	Day's change	High	Low	Open Int	Vol
	1,568	+0.011	1.585	1,550	19,016	23,672
	1.820	+0.022	1.835	1.792	31,660	8,358
	1.975	+0.017	1.990	1,950	18,947	3,625
	1,950	+0.012	1,960	1,935	13,399	2,170
	1,920	+0.014	1,925	1,903	12,122	1,185
	4 060	. 0 000	4 564	4 000	e rat	2016

		Day's	High	Low	Open	Vol
	EX (42,00			ults.)		
					53,264	
r	1,880	+0.006	1.885	1,870	6,507	2,045
	1,820	+0.014	1,925	1,903	12,122	1,185
		+0.012	1,960		13,399	2,170
		+0.017	1,990		18,947	3,625

1.975 1.950 1,920 1.880	+0.017 +0.012 +0.014 +0.006 GASO	1,990 1,960 1,925 1,885	1,950 18,947 1,955 13,399 1,903 12,122 1,870 6,507 153,264	3,625 2,170 1,185 2,045
	Doy's change		. Open	Vot .
50.40 58.20	+0.45	52.00 80.70	49.90 14,775 57,80 23,948	28,522
55.70 55.00	-0.50 +0.15	57.26 55.85	55,40 14,609 54,90 6,287	
55.30	+0.25	56.50	54.80 3.200	

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 84ths of 100%

CALLS

1,434 1,975 1,544 1,537 200 40 6,939

-2/2 399/6 39,80 39,150 11,398 -1/5 410/4 407/0 22,074 531 -2/4 389/4 333/0 4,045 554 -0/4 354/0 551/2 9,396 1,107 -0/2 356/0 355/2 9,396 1,107 -1/4 385/4 364/0 133 8 -78,837 17,176

-2/6 27/76 21444 120,687 27,196 -2/2 22814 2254 55,543 7,208 -2/0 237/0 234/2 24,803 2,230 -2/0 242/4 240/0 22,424 6,511 -1/4 247/0 245/2 2,380 412 -0/4 252/0 250/4 11,836 1,897 263,614 44,468

25.96 +0.23 25.98 25.63 33 1.767 25.13 +0.14 25.15 24.69 33.135 15.265 25.57 +0.07 24.07 24.42 12.557 3.942 24.22 +0.05 24.00 24.08 12.94 3.690 25.96 +0.02 24.00 25.89 11.041 1.830 25.92 +0.04 24.05 23.85 7.420 1.468

-0.9 164.5 183.5 2 551 -0.7 185.9 164.9 43,705 14,149 -0.8 188.9 188.0 18,757 2,283 -0.3 171.8 171.0 14,074 1,897 -0.5 176.5 174.8 7,892 1,177 -0.3 177.0 176.5 7,851 1,020 95,121 21,813

+2,1 218,0 217,9 1,365

SOYABEAN MEAL CST (100 tons; \$/ton)

FREIGHT (BIFFEX) LCE (\$10/index point)

POTATOES LCE (E/A:

150.0 105.0 217.9 240.0 107.5

1855

102

■ WHEAT CET (5,000bu min; cents/60th bushel)

MAIZE CBT (5,000 bu min; o

BARLEY LCE (£ per tonne)

101.55 -0.10 T01.55 101.50 104.25 -0.10 104.25 #04.15 106.25 -0.20 106.25 106.15 108.35 -0.08 108.50 108.35 93.75 +0.50 -

MEAT AND LIVESTOCK LIVE CATTLE CME (40,000los; cents/los) SOFTS COCOA LCE (E/tonn

COCOA CSCE (18 tonnes; S/tonnes)

-22 -10 -16 -20 -20 -22

■ COFFEE 'C' CSCE (37,500lbs; cents/fbs)

■ COFFEE (ICO) (US cents/pound)

13.00 -12.92 -0.03 12.97 -0.03 12.91 -0.04

WHITE SUGAR LCE (S/tonne)

Oec 1ar May Ang Oct Oec Total

Mer May Jel Oet Mer Mey Total

Dec Mar May Jul Oct Occ Total

INDICES

Oct 21 2085.5

Oct 20 233.91

M REUTERS (Base: 18/9/31w100)

M CR8 Pubres (Base: 1967=100)

32

1,365

-0.03

SUGAR '11' CSCE (112,000fbs; cents/fbs)

■ COTTON NYCE (50,000/bs; cents/lbs)

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

VOLUME DATA
Open interest and Volume data shown for
contracts traded on COMEX, NYMEX, CST,
NYCE, CME, CSCE and IPE Grade Oil are one

M US TREASURY BOND FUTURES (CET) \$100,000 32nds of 100%

COFFEE LCE (\$/tor

COCOA (ICCO) (SDR's/tonne)

Oec Mar May Jul Sep Dec Total

ì	4)				. ===		Bl-			Open	
	959 969 989 1013 1025 1045		Open let 21,316 42,212 14,486 6,236 12,339 8,442 110,518	1,6\$5 100 41 123 104	Oct Dec Feb Apr Jon Ang Total	68.975 68.675 65.425	+0.390 +0.256 +0.275 +0.100 +0.075	68.650 70.200 68.050 69.000 65.450 84.550	1.000 69.575 68.650 68.675 65.250 64.250	64 899 30,395 17,805 12,308 3,484 1,367 66,466	Vel 611 10,725 3,014 2,283 129 119 17,582
b	annes; \$	/torine	a)		- 4	E MOGO					210
	1352 1395 1422 1440 1500	1319 1362 1383 1420	29,750 21,999 8,105 3,031 1,346 4,954 73,210	2,823 185 0 25 33	Oct Dec Feb Apr Jun Aug Total	30.825 33.025 36.300 28.325 42.000 41.425	-0.125 -0.625 -0.350 -0.400 -0.500	33 750 28,650 38,600 42 250 41 650		375 18,450 7,150 3,972 1,742 320 32,828 cents/ft	313 2,741 845 506 188 17 4,676
_			Pres.	-	Feb	39,750	-1 200	40,600	39.075	8,013	2,128
	Price 989.83			1.45	Mar	39.975	-1,000	40.550	39.200	946	ਲਾ
•					May	40.950	-0.500	41 600	40 350 41 250	290 281	36 24
	10)				Joi	41.500	-0 750	42,500 41 150	41.150	64	- 4
-	,		_		Aug	41.150	-0.430	41 130	T.,120	10 107	2.461

for trout

•		- 4	··-,				MIN 41.130 -0.434 -			-	-	
	3673 3963	-82 -85	3735 3735	3655 3635	7,090 11,414	951 1,404	Total			10,197	2,461	
	3603	-85	3860	3575	5,134	532						
	3586	-77	3618	3585	2,954	105	LONDON TRA	חבו	2 (1)	DTIC	2IA	
	3570	-53	-	-	.,	-			, 0,			
	3560	-60	•	-	1,403	2.987	Strikes price 3 toline	C1	Jis	Pt	/ts	
F	E C	CSCE (37,500	bs; cen			MALUMINIUM (99.7%) LME	Dec	Mor	Dec	Mar	
П	195.55	-7.10	200.00	193,80	13,390	3,214	1725	62	98	43	71	
	200,45	-6.90	204.75	199,00	11,908	1,056	1750	49	68	55	63	
	203.85	-6.00	207.00	203.85	4,685	245	1776	39	74	70	96	
	204.00	-6.00	207.25	205.00	1,549	43	■ COPPER					
	203.75	-8.00	208.00	203.75	862	5	(Grade A) LME	Dac	Mar	Dec	Mar	
	206.00	-6.00	209.25	207.06	848	-		68	92	69	116	
					33,355	4,563	2550	17	73	98	148	

	Strike price 3 tolina				
•	(99.7%) LIME 1725	Dec 62 49 39	Mer 98 68 74	Dec 43 55 70	7 8
	COPPER (Grade A) LIME	Dec	Mar	Dec	М
	2550 2600 2650	68 47 31	92 73 57	69 98 131	14
	COFFEE LCE	Nov	Jan	Nov	J
	3550 3600	226 183 145	328 303 278	67 94 126	24 24
•	E COCOA LCE	Dec	Mar	Dec	М
	925 950	37 24 14	69 74 81	15 27 42	3. 4: 5
	BRENT CRUDE IPE	Nov	Dec	Nav	0
	1850	i	53 38	1	3 5

12.97	-0.03	12.98	1297		290	950	24 14	74 81	27 42	43 55
12.91	-0.04	-	-	450 540	200	BRENT CRUDE IPE		Dec	Nav	
TE SUGA	R LCE	(S/tory	10)			1600	•	53	1	24
347.56	-0.40	347.50	346 30	3,125	637	1650	1	38	4	58 89
339.90		340.70		8.824	564	1700 ,	3	21	•	99
335.70		339.00		1.883	345					
335.80		336.00		2,403	229	LONDON SPO	ΤМ	ARI	K⊫l	ıs
314.50	-0.10	-	~	726		CRUDE Off. FOR (per				+01-
313,40	-0.20	-	-	4	-					
				18,768	1,176	Dubei		19-5.0		-0.190
AR 41' (SCE (112,000	Ybs; ce	nts/libe)		Brent Bland (dated)		30-6.3		-0.280 -0.240
12.70	-0.08	12.84	1267	95,794	8 721	Brent Bland (Dec)		24-8.2 36-7.3		-0.265
12.71	-0.06	12.81		22,093		W,T.1. (1pm est)				
12.80	-0.05	12.67		14.364		■ OIL PRODUCTS NWE	prompt	delive	ry Cil	COUL
12.22	-0.02	12.26			1.713			0 400		+2
11.84	-0.02	11.92	11.84	1.768	202	Premium Gasolina		90-183 93-154		*2
11.84	-0.02	11.00		43	34	Gas Oil		XX-134 XX-92	•	-1.5
11.24	-			148,578		Heavy Fuel Oil		9-171		-3.5
TON 100	-	~~~				Naphtha		5-178		-1.S
TON NY	JE 190,	UUUHD5;	CEUMAN	176)		Jet fuel				-1.5
69.10	+0.04	69.60	68.84	23,590	4,109	Diesel		8-159		-1.9
70.63	+0.16	71.06	70.35	12,730	807	Patroleum Argus. Tel. Londo	1 (0/1) 2	339 67	32	
71.60	+0.05	72.05	71.50	6,884	130	■ OTHER				
72.50	+0.12	72.70	72.35	4,125	29		-			0.00
69.50	-0.20	69.65	69.65	523	1	Gold (per troy ozi-		90.70		-0.30
66.85	-0.20	69.05	68.80	2,313	46	Silver (per tray oz)		5.00c		-5.50
		4.		50,158	5,122	Platinum (per troy oz.)		25.50		+1.40
NGE JUI	CE NY	CE (15.	0000hs:	cents/	Inni	Paliadium (per troy oc.)		56,35		+0.10
		_				Copper (US prod.)		3.0c		-1,0
108.65		108.75			1.243	Lead (US prod.)		1,15c		
112.25			109.25			Tin (Kuala Lumpur)		.00c		+0,14
115,10		115.20		5,590	903	Tin (New York)	25	19.0¢		-3.5
118.00		116.00		1,396	74	Cattle (Ive weight)†	119	9.63p		0.35
120.50		120.00		836	74	Sheep (live weight):		50p		-0.40°
123.50	-0.55	123.50	123.50	484	В	Pigs (five weight)		520		-0.02
				25,886	6,380	Lon, day sugar (raw)	-	17.3		-0.2
								55.0		-0.5
						Lon, day sugar (wte)		07.0		-1.0
					$\overline{}$	Tate & Lyle export				-1,4
ME DAT						Barley (Eng. feed)		hq.		
Interest		Volume	data	shown	for	Malze (US No3 Yellow)		32.0y		
ects trad						Wheat (US Dark North)	€18	35.Ou		
CME, C						Rubber (Nov)♥	89,	.00p		-0.79
amours.						Rubber (Dec)♥	88.	,50p		-0.75
						Rubber (KL, RSS Not July	34	7.5		-2.0
						Coconut Oil (Phil)§	\$63	5.0u		10.0
						Pairn O8 (Maley.)§		O.Ot		+2.5
CES						Copra (Phil)§		0.00		+4.0
TERS (Ba	- 19	MA11	OM)			Soyabeans (US)		7.0		+1.0
						Cotton Outlook'A' Index		BOG		0.15
	ct 20		th ago			Wookops (64s Super)		1Op	1	+2
	063,3		26.0	159	43					-
Futures	(Base:	1967⇒1	(OC)			C per tonne unless otherwise :	stated, p	pence	Votr a	Coupty/
20 C	et 19	mon	th ago	year'	200	r ringgt/kg, m Melaysten cent Oct/Nov, 4 Dec. t Nov. Y Lo	arreg. y C		6 PM	RATE
	31,17		2.09	220		tient. & Bullon market close.	Sheen	QVo v	reicht	pricess.
31 2	31,17	23	22.09	220	.עד	plant. & Bullion market close.	A Shoop	QVa v	triol-av	p

WORLD BOND PRICES

BENCH	MARK	GOVE	RNM	ENT BO	ND\$			
		Coupon	Red Date	Price	Day's change	Yleid	Week ago	Month ago
Australie		9.000	09/04	92,7900	-0.230	10.17	10.20	10.18
Belglum		7.250	04/04	92,4000	-0.530	8.43	8.31	B.59
Canada *		9.500	06/04	83.4000	-	8.13	8.99	8.95
Denmark		7.000	12/04	88.2000	-0.220	8.80	8.79	6.12
France	BTAN	8.000	05/98	101.2500	-0.880	7.55	7.48	7.48
	CAT	5.500	04/04	82,5000	-0.580	8.22	7.99	8.10
Germany 1	reu	7.500	09/04	99.9600	-0.600	7.50	7.42	7.59
Italy		8.500	08/04	81.0100	-0.190	11.821	11.65	11,57
Japan	No 118	4.600	06/99	102.8620	+0.070	4.07	4.18	3.85
Japan	No 164	4.100	12/03	95,8430	-0.060	4.74	4,72	4.51
Netherland	5	7.250	10/04	98.3200	-0.540	7.49	7.36	7.65
Spaln		8.000	05/04	81,4500	-0.450	11.24	10.95	11.16
UK Gitta		8.000	08/99	90-07	-2/32	8.51	8.43	8.72
		8.750	11/04	97-15	-	8.63	8.55	8.89
		8.000	10/08	103-01	-1/32	8.62	8.54	8.85
US Treasu	rv ·	7.250	08/04	96-12	-2/32	7.78	7.61	7.56
	•	7.500	11/24	94-07	-12/32	a01	7.84	7.80
ECU (Frenk	ch Govti	6.000	04/04	83.5900	-0,440	8.59	8.46	8,71
London class	ing, "New Yor	k mid-day					ocal made	et stande

ECONOMIC DIARY - FORWARD EVENTS

TODAY: Kyrgyzeten holds WEDNESDAY: Bricks end referendum on shape of new

† Gross (including withholding tax at 12.6 per cent payable by i Prices: US, UK in 32nds, others in decimal

TOMORROW: British summer time ends. Clocks go back one hour. Grand assembly in Afghanistan scheduled to elect new government leadership. Pakistan to begin national populetion census. Basque regional elections.
MONDAY: US treasury budget

(September). Mr John Major, prime minister, and Mr Albert Reynolds, Irish premier, are expected to meet at Chequers for talks about developing the Ulster peace process. European Parliament in plenary session in Strasbourg. European Union agriculture council meets in Luxembourg. Eurostar rail tickets go on sale. TUESDAY: Confederation of

British Industry publishes industrial trends survey (third quarter). US exieting home sales (September): consumer confidence (October). Mr Bill Clinton, US president, starts short tour of Middle East. Middle East environmentel talks in Manama (until October 26). Launch of Coal Authority, successor to British Coal.

cement production and deliveries (third quarter). Mortgage possession statistics (third quarter). US durable orders (September). Mr Clinton attends the signing ceremony of e peace treaty hetween Israel and Jordan. Local Government Commission launches publication of final recommendations of future structure for

nine counties.
THURSDAY: New earnings survey 1994 Part C: Analyses by industry. Energy trends (August). New vehicle registrations (September). Digest of agricultural census statistics for UK (1993). Japan retail eales (September). Group of Seven hold conference in Winnipeg to discuss aid to the Ukraine. Bundesbank council meets. Britisb Tourist Authority annual report. ICl issues

interim figures. FRIDAY: Major British banking groups' mortgage lending (September). US gross domestic product (third quarter-advance); budget deficit (September). Tresors 1994, the international fine art and antiques fair for Asia, opens in Singapore.

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US INTEREST	RA	TES			
Lunchtime		Traesur	y Bats	and Bond Yields	
Prime rate	74 64 44	One planth	4.82 5.42 5.14 5.68 8.20	Two year Truck year For year 10-year 30-year	6.78 7.09 7.48 7.83 8.02
BOND FUTUR	ES .	AND OPTIONS			
France					

	Open	Sett price	Change	High	Low	Est. vol.	Open in
Oec	110.94	110.40	-0.68	110.96	110.08	214,107	132,64
Mar	110.16	108.84	-0.68	110.18	109.48	404	11,322
Jun	109.38	108.86	-0.68	109.38	108.70	105	661
_	TERM FREE	NCH BOND		(MATIF)		рита —	
LONG Strike	TERM FREE	CAL	<u>s</u>	(MATIF)	Nov	PUTS —	Mar
Strike	-	CAL De	. N	_	Nov 0.26		Mar 2.18
Strike Price	Nov	CAL De	E N			Dec	
Strike Price 110	Nov 0.60	CAL Dec 3 1,3	E N 7 1,	 lar 84	0.28	Dac 0.96	2.18
Strike Price 110 111	No. 0.60 0.15	CAL Dec 3 1,3 9 0,8 9 0,4	7 1, 2	 lar 84	0.26	Dec 0.96 1.48	2.18 2.70

Germa								
Dec Mar	Open 90.17 89.02	Sett price 89.82 89.03		e H	gh 27 .02	1.cw 88.52 89.85	Est. voi 183298 264	Open Int. 178882 4383
■ BUND	FUTURES	OPTIONS (L	JFFE) DA	1250.00	() points	of 100%		
Strike		CA	L\$				PUTS	
Price	Nov	Dec	Jan	Mar	Nov	Dec	Jen	Mar
8950	0.44	1.11	0.95	1.30	0.12	0.78	1.42	1.77
9000 9050	0.17 0.04		0.75 0.57	1.09 0.89	0.35 0.72	1.02 1.30	1.72 2.04	2.06 2.36

Italy							
NOTH	ONAL ITALL	AN GOVT. E	OND (BTP	FUTURE	35		
	" Ura 200m				_		
	Open	Sett price	Change	High	Low	Est. voi	Open Int.
Dec	99.10	99.15	-0.30	99.39	98.80	34436	58678
Mor	96.23	98.37	-0.30	98.23	98.23	68	4579
ITALL	AN GOVT. B	OND (STP)	FUTURES (PTIONS	(LIFFE) Line	200m 100ti	hs of 100%
Strike		CAL	LS			PUTS	
Price		Dec	Mar		Dec		Mar
9900		1.46	2,41		1.33	:	3.04
D960		1.20	2.19		1.55		3.32
10000		3.95	1.99		1.80		3.62

٦								
	Spain Notice	NAL SPAN	ISH BOND F	TURES (MEFF)			
		Open	Sett price	Change	High	Low	Est. vol.	Open Int.
	Dec Mar	86.55	86.91 86.88	-0.34 -	86,86	88.20	60,271	73,326 50
	UK NOTICE	NAL UK GI	LT FUTURE	\$ (UFFE)^ !	E50,000 32	nds of 100	%	
		Open	Sett price	Change	High	Low	Est. voi	Open Int.
	Dec Mar	101-02	101-05 100-06	-0-03 -0-05	101-08	100-17	72287 0	97104 48

	S FIXE			INDICE										
							"LIFFE CON	tracts traded	on APT. All	Open Interest	t figa. are to	r previous d	By.	
00.72	80.50	-0.42	00.78	00-10	2,040	0,711	Mar	106.99			106.99	105.98	47	ŏ
-		_					Dec				_			0
			15.1				42.14				Hinh	Low	Eet unt	Open int
							■ NOTIO				OVT. BON	ID FUTUR	ES	
							Japan							
, 64.5 776.			opai dia	523 51511										
			noen int			4-00	Jun	96-07	96-07	•	96-07	96-07	371	11,192
							Mar	97-00	96-26	-0-05	87-07	96-23	3,946	28,036
		2-07		1-12			Dec							Open Int 394,087
	((Calls 776:	NO FUTURIES (MATIF Open Sett price	1-22 2-07 0-65 1-42 0-33 1-18 . Casts 7765 Putz 809. Previous day's	1-22 2-07 0-56 1-42 0-33 1-18 Calls 7765 Puts 809. Previous day's open int., NO FUTURIES (MATIF) Open Sett price Change High	1-22 2-07 1-12 0-65 1-42 1-45 0-33 1-18 2-23 . Calls 7765 Puts 809. Previous day's open int., Calls 69811 NO FUTURIES (MATIF) Open Sett price Change I-5gh Low	1-22 2-07 1-12 0-55 1-42 1-45 0-33 1-18 2-23 . Casta 7765 Puta 809. Previous day's open Int., Casta 69911 Puta 42300 NO FUTURIES (MATIF) Open Sett price Change High Low Est. vol.	1-22 2-07 1-12 2-59 0-56 1-42 1-45 3-30 0-33 1-18 2-23 4-06 . Calls 7765 Puts 809. Previous day's open int., Calls 69811 Puts 42300 NO FUTURES (MATIF) Open Sett price Change High Low Est. vol. Open int.	1-22 2-07 1-12 2-59 0-65 1-42 1-45 3-90 Mar 0-33 1-18 2-23 4-06 Mar Jun Colls 7765 Puts 809. Previous day's open int., Calls 69911 Puts 42300 No FUTURIES (MATIF) Change High Low Est. vol. Open int. So.72 80.56 -0.42 80.78 80.18 2,048 6,711 Dec Mar	1-22 2-07 1-12 2-59 Dec 87.21 0-65 1-42 1-45 3-90 Mar 97-00 0-33 1-18 2-23 4-06 Mar 97-00 Jun 96-07 Calls 7765 Puts 809. Previous day's open int., Calls 69811 Puts 42300 NO FUTURIES (MATIF) Open Sett price Change High Low Est, vol. Open int. 00en Sett price Change High Low Est, vol. Open int. 00en 107.71 Mar 106.99	1-22 2-07 1-12 2-59 Dec 87.21 97-15 0-56 1-42 1-45 3-30 Mar 97-00 96-26 Jun 96-07 98-07 0-28 Jun 96-07 98-07 98-07 0-28 Jun 96-07 0-28 Jun	1-22 2-07 1-12 2-59 Dec 87.21 97-15 -0-05 0-56 1-42 1-45 3-90 Mar 97-00 96-26 0-05 0-33 1-18 2-23 4-06 Mar 97-00 96-26 0-0-05 Jun 96-07 96	1-22 2-07 1-12 2-59 Dec 87.21 97-15 -0-05 97-28 0-56 1-42 1-45 3-30 Mar 97-00 96-26 -0-05 97-28 0-33 1-18 2-23 4-06 Mar 97-00 96-26 -0-05 97-28 Mar 97-00 96-26 -0-05 97-28 Mar 97-00 96-26 -0-05 97-28 Mar 97-00 96-27 96-07	1-22 2-07 1-12 2-69 Dec 87.21 97-15 -0-05 97-28 97-11 0-55 1-42 1-45 3-30 Mar 97-00 96-28 -0-05 97-28 97-11 0-33 1-18 2-23 4-06 Mar 97-00 96-28 -0-05 97-07 96-23 0-38 (Annual Puta 42300 Mar 97-00 96-07 96	1-22 2-07 1-12 2-69 Dec 87.21 97-15 -0-05 97-28 97-11 470,312 0-56 1-42 1-45 3-30 Mar 97-00 96-26 -0-05 97-28 97-11 470,312 0-33 1-18 2-23 4-06 Mar 97-00 96-26 -0-05 97-07 96-23 3,946 Jun 96-07 96-07 96-07 96-07 371 Japan Japan

FT-ACTU	ARIES	FIXE	INTE	REST	INDI	CES											
UK Gitta Price	Indices	Oct 21	Day		Thur Oct 20	Acci		and ecil yield	ind	besink-se		Fri Oct 21	cha	Nge %	Thur Oct 20	Accrued Interest	nd ad yield
1 Up to 5 years (2 5-15 years (2 3 Over 15 years 4 irredeemable 5 All stocks (6	23) 5(6) (5)	119.00 138.71 155.28 179.20 136.02	444	1.07 1.09 1.09 1.04 1.08	119.09 138.84 155.42 179.27 136.13	2	1.11 1.48 2.10 1.35	9.83 11.00 10.57 8.83 10.62	8	Up to 5 y Over 6 ye All stocks Dobs and	ars (11) (13)	185.98 173.80 173.74		+0.02 +0.11 +0.10 -0.11	185.94 173.11 173.56	0.28 0.72 0.68	5.07 4.38 4,41
2 14 30002 for	4		w couper		100-10	'				COURDON Y		127.07		-0.11	_	2.39 upon yield	8.95
Ylekis	Oct 21	Oct 20	Yr ago	High	L	.OW	Oct 21					Low	Oct 21	Oct 20	Yr ago	High	Low
5 yrs 15 yrs 20 yrs kned.†	8.58 8.54 8.50 8.56	8.53 8.51 8.47 8.55	6.89 8 7.03 9	1.95 (20/9 1.89 (20/9 1.81 (20/9 1.88 (20/9	6.30 6.41	(20/1)	8.63 8.86 8.89	8.60 8.64 8.64	8.18 7.08 7.18	8.05	10/9) 6.	82 (19/1) 39 (20/1) 42 (20/1)	8.78 8.89 8.79	8.74 8.97 6.78	6.35 7.26 7.28	9.19 (20/9) 9.25 (20/9) 8.09 (20/9)	5.91 (19/1 6.63 (20/1 9.85 (20/1
Index-linked			Instation r						Inflatio	n rate 10	%						
Up to 5 yrs over 6 yrs Debs & losns	3.87 3.85	3.84 3.85	2.11 4 3.09 3	1.11 (5/10 1.99 (21/6		(20/1)	2.67 3.65	2.64 3.65	1.26 2.91	3.00 (5 3.79 (2	1/8) 2.	19 (16/2) 70 (20/1)					
Average gross	9.67 radempti	9.65 on yleids s	7.65 1	0.07(20/9	7.19	(10/1)	9.62	9.60	8.01	9,98 (2	(0/9) 7.	39 (20/1)	8.68	9.55	8.14	0.90 (20/9) to date.	7.49 (10/1
FT FIXED	INTE	REST	INDIC	ES					GI	LT ED	GED	ACTIVIT	Y IN	DICES	1		
	Oct	21 Oct 2	0 Oct 19	Oct 18	Oct 17	Yr ago	High*	Low				Oct 2		ct 19	Oct 19	Oct 17	Oct 14
Gavt. Secs. (U Fixed interest * for 1994. Govern 25 and Fixed inte	108. ment Secu	.05 108.3 atties high a	1 108.56 ince compl	109.08 lettor: 127.	92.28 106.69 40 (9/1/35		133.87	89.54 106.50 Physic lines	5-6	Edged by average aince com	20	86.8 91.0 8.87 (21/1/94		89,4 94,4 53 (2/1/75)	89.9 97.9 . Başis 10	91,4 99.3 0: Government :	97.9
					_												

UK GIL	TS PI	RICE	s																	
	Motes	et Y	leti Red 1	Price E +	- or -	High 15	964	Motes	int Y	eld Red	Price £	+ cr –	— 1º	994	Notes	(i) Y	ekd (2) Price E		1: High	994
Bharts" (Lives u	to Fire Y							Funding 31 ₂ pc 1999-4	4.81	7.48	7253	-4	88,5	68%	index-Linked (b)		140 1444 1		- Ingpi	
(reas 8pc 1994)		8.97		10 al		1031	1004		9.05		104		1257	101 🗓	2pc '96(67.9)	2.62	4.04 20	0	2037	197
13pc 1995 Such 3pc San 199	~~~	11.82 3.04	5.67 5.64 6	1017		107表 98品	973	Trans 64-pc 2004##	7.73	8.63	87°ani	-4	105 ¹ e	8433	45epc '98##(135.6)	268	3.53 1075 ₈₈	i ==	1132	106
1040c 1985	U-10	9.98		1024	7	10743	1023	8 1 ₂ pc 2005	8.59	8.61	. 99	-3	100,2	97	21 ₂ 90 '01(78.3) 21 ₂ 90 '03(78.5)	3.35	3.79 18		1767	163
reas 12 kpc 199	5H+	12.03	6.8910		3:	1135	10513	Coor 6 12 pc 2005	9.02	8.70	105&		125%	1021	43pc '04#(135.6)	3,46	3.81 162x	4	1735	169
14pc 1996		12.95	7.10	108	-14	1135	1075	Treas 1212pc 2003-5	10.31		121,330	~	143/	1184	201 '06	3.55	3.81 1083 3.81 1682		1184	107
15% oc 1996##		13.71	7.54 11		-le	121日	1112	74.pc 2008## 8nc 2002-6##	8.29	8.62	63/2		11233	05 ¹ e	21 ₂ pc '09(78.6)	3.60	3.83 1525	44	184 <u>17</u> 1687	165 149
Secto 134pc 1996		1221	7.42 10			11793	108,	Trees 11 3-pc 2003-7	6.43 10.18	9.02	94 <u>37</u> 11533		1115	9134	21 ₂ pc '11(74.6)	3.63	3.84 1574		175%	154
Januaraton 18pc 1		9.60	7.78 10		وت	112,7	103	Trans 81200 2007 ##	8.60	8.63	9817		138 ₃ . 119 ₄ 3.	112%	21 ₂ pc 13(89.2)	3,86	3 64 1295		1451	125
Trees Criv 7pc 196 Trees 131-pc 199		7.19 11.98	7.85 7.94	9713 1104		1003 121 5	965g 110-3	131-sec 2004-8	18.59	9.01	12712		151 &	12483	21 ₂ 90 '16	3.69	3.86 138		157.2	134
heen 1812 p.c 1997		0.99		1057	-2	1142	1045		8.74	8.61	10271		124/3	9917	212PC '24##(97,7)	172 371	3.87 1323 3.85 110.9		152()	125
reas 6%pc 1997		8.85		101-2	-12	110.7	100.2			•••				- La	4450C 30±±	374	5 60 100		129	108
sch 15gc 1997		12,78	8.3011	7134	100	13143	1166								Prospective real redeme	When			128/	1067
9 ¹ cpc 1999		9.41		103%	-4	1144	102]													
rees 7 2pc 1998		7.50	8.38	965	茎	1083	855													
1400 1996-1	-4011-	7.11 12.03	8.58 11	95xd		102 131 弘	93년 115년	Over Fiftness Years							reflect rebasing of RP fector 3.845, RPI for 5	10 100	in Februa	ry 1987	Conv	graio
ress 15120C '981		12.60		1234		140.3	122.3	Trunc Opc 2009	6.43	8.61	9433	-35	1152	81 3 3	fector 3,945. RPI for F 1994: 145.0.	actuary	1994: 142,1	and k	ж Ѕерс	اطسان
ach 12pc 1998	-	10.78	8.56 11			125	1182	Trees 0 1/4pc 2010	7.78	8.47	802.4		983	7712						
1535 9 ¹ 20¢ 1998	#	9.21		103.2		1163	1812	Cooy Opc Ln 2011 ##	£.70	B.58	10312		128]]	10033	Other Fixed Is	-4				
								Trees Spc 2012##	8.67	8.58	10333		127%	100%	- mon i mon i	itere	şt			
								Trees 51200 2006-12##	7,44	831	7313	-1	837	714						
								Trees Opc 2013##	8.41	851	95.3		11733	92	Notes	Yie			, 15	
								7%pr. 2012–18## Treas 8%pc 2017##	8.41 8.54	8.49 8.45	92 <u>J.</u> 10243		1284	88% 598			Red Price	<u>+ or -</u>	High	Lor
ing to Fifteen Ye		10.84	8.63	1133	-1	1283	11163	Each 1200 2013-17	9.22	8.71	1302			1987	Adian Dev 1014 pc 2009	9.24	8.69 115%	. —	138%	107
och 1214pc 1999 Treas 107zpc 199		9.81	8.67	107%		121.4	105.2	CM21 1444 2010-11			34	34	2		B'ham 11 2pc 2012 Indend Cep 8 2pc 10	9.70	9.35 1181		142	111
res 6oc 1999 ±		8.58		802	يهام	1016	85/2								9pc Cap 1996	8.76 8.96	- 97	_1_	11812	931
conversion 10% po	c 1990_	9.63	8.6610	6) Jul	-6	1211	104								73nc 97-2	12.01	- 1001;		10322	86-
roes Pag Rade 19	99	-	_=	8633		100点	89								Hydro Queboc 15pc 2011	10.56	- 1034 981 143		1184	10
iony 9pc 2000## ress 13pc 2000		8.86 10.98		101% 118%	-	1164	997 ₈ 11673	Undeled							Leeds 151 ₂ pc 2006	18 59	- 1271		169 <u>33</u> 1493	137 <u>1</u> 12
10pc 2001		9.45		10533	3	1223	1035	Console 4pc	E.71	-	45(1	-35	69 J		Uverpool 312pc irred	0.46	- 37		44	331
70c 2001 ±±		767		11.2.2	-14	100Å 116Å 136∰ 122Å 106Å	8825	War Lown 312pc11	8.52	-	414	-j.	5433	24.75	Manchester 11 lanc 2002	9.23 10.04	_ 3212		4012	284
9 kpc 2002		9.27	8.80	1563	+-0	1232	19213	Comy 31/2 pc '61 Aft	6.02	-	567		.71	22-4	Met. Wir. 3se B'	4.41	9.53 1141, 8.32 69		1384	112
8pc 2003‡‡		6.38		951		1133	92%	Trees 3pc '66 A2	8.60	-	347		445	3452	N'MIGE ANGLE 374 pe 2021	441			76	661
10pc 2003		9.33		1074	-10	127	10412	Consols S 2 pc	8.44	-	225	+39	3812	28.5	4 une 8, 2024	_	452 132 469 127			1293
rens 11 2ec 200	1-4	10.25	6.56	1122	-š	12512	10933	Trace, 21, DE	8.54	_	2848	-2	373	2744	Uto Mex States 181 _{2,DC} 2006				145	1237
	,				_										10-Shr 9000	11.91	– 138ს			1343

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CURRENCIES AND MONEY

MARKETS REPORT

Dollar troubles

The dollar traded nervously yesterday after touching over-night lows in Asian trading against the D-Mark and the yen, writes Philip Gawith. Market sentiment towards

the US currency remains pre-dominantly negative, but trad-ers are reluctant to sell the currency aggressively for fear of being caught out by central bank intervention.

After touching lows of Y96.50 and DM1.4880, the dollar recov-

and DML4880, the dollar recovered to finish in London at Y96.995 and DML4954.

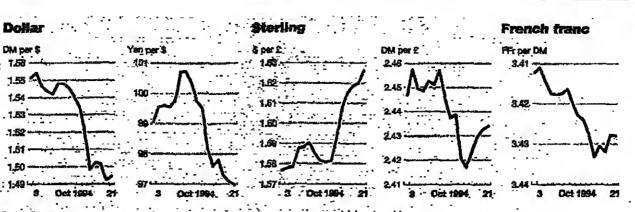
Elsewhere, the star performer on the exchanges was the Swedish krons, which finished at SKr4.758 against the D-Mark, after touching SKr4.7330, from SKr4.774. It was boosted by another referendum poll showing increased support for EU membership, and hedging strategies adopted by Swedish exporters, whose dollar receivables are being hit by the falling US currency.

Sterling was also elightly

firmer on the exchanges. The trade weighted index finished at 80.4 from 80.2. Against the D-Mark, sterling closed at DM2.4345, from DM2.4325. Against the dollar it closed at \$1.628 from \$1.62

Despite the dollar being near record lows, traders reported fairly low volumes. There were indications, however, that longer-term inves-tors were starting to re-think

	nd in Hour Yes	K
Oct 21		Prev. close
togs 3	1.6262	1.8323
1 mile	1.6273	1.6315
3 regith	1.8268	1.5300
1 yr	1.6170	1.6212



long term investors were get-ting very nervous about the dollar, especially against the yen. He said Citihank's client base was underweight in the yen, and probably neutral in terms of its D-Mark holdings. One corollary of this is that

central bank support for the dollar would be unlikely to succeed, because the market is wrongly positioned.

Mr Mike Rosenberg, managing director of international fixed income research at Mer-rill Lynch in New York, cau-tioned against dramatising the

doubted whether long-term investors would be making sig-nificant alterations in their currency exposure. "1994 has been a difficult year, and peo-ple are not going to be putting on big positions now," he said. The dollar gained some sup-port from Mr Larry Summers, US Treasury undersecretary,

dollar's plight. "This is not a free fall, it is a gradual move down," he said.

Mr Rosenberg said he done on Thursday evening, when treasury secretary Mr Lloyd Bentsen's comments, that the administration would not intervene to support the dollar, drove it to record lows, be denied there had been a shift in the US's dollar policy. Mr Summers said the admin-istration would, when appro-priate, be prepared to inter-

vene in the currency markets.

£1.3bn shortage. Overnight money traded between 3% and 5 per cent.
Three month LIBOR was

unchanged at 51 per cent. In the futures markets the March short sterling contract closed at 92.68 from 92.7L

In Germany, futures lost ground across the board after news that M3 money supply had grown at an annualised 7.7 port from Mr Larry Summers, US Treasury undersecretary, who said the administration favoured a stronger dollar. In an effort to undo the damage port forecasting a per cent in September, above market forecasts of 6.9-7.5 per cent. This dampened hopes of another cut in German interest rates.

MOKEY RAT					_			
October 21	Over	One month	Three	Sb: mthe	One	Lomb. inter.	Dis. rate	Re
Belgium	4%	8	514	54	6%	7.40	4,50	
week ago	4%	5	514	696	696	7.40	4.50	
France	5%	54	5%	5%	6%	6.00	_	6
week ago	54	54	514	52	82	5.00	_	6
Germany	4.82	4.95	3.15	5.25	5.5B	6.00	4.50	4
week ago	4.95	4.95	5.15	5.30	5.65	5.00	4,50	4
tretand	42	54	54	616	74	-	_	8
wask ago	44	64	51/2	61	71	-	_	6.
Italy	82	8%	3%	914	1014	-	7.50	8
week ago	82	8%	874	914	104	_	7.50	8
Netherlands	4,84	4,93	5.17	5.30	5.68		5.25	
week ago	4.B4	4.93	5.16	5.32	5.76	_	5.25	
Switzerland	31	32	42	414	4%	6.625	3.50	
week ago	28	38	4%	44	41	6.625	3.50	
US	4%	48	58	5%	6Z	_	4,00	
week ago	42	42	64	52	64	_	4.00	
Japan	274	214	2%	21/2	28	-	1.75	
week ago	214	214	2%	21/6	21	_	1.75	_
E \$ LIBOR FT Lor	ndon							
Interbank Fitting	_	5	5%	57	61/2	-	-	
work ago	_	8	696	574	676	-	-	
US Dollar CDs	_	4.88	5.35	6.71	6.30	_	_	
week ago	-	4.88	5.27	5.57	6.13	_	_	
SDR Unked De	_	3%	92	3%	4	_	_	
week ago	-	3%	34	3%	4	_	-	
SCU Linked De mid 9 rates are othered rates Day. The banks are S Mid rates are shown I	for \$10m	quoted to	of Toloro	Bergins	end Nuti	to benice at	lam ob	ch w

7 days notice

Oct 21		Closing mid-point	Change on day	Bid/offer 30read	Dey's	Mid	One mo	MPA	Tirree and Rate	MPA	One y		Bank o
Europe													
Augitries	(Sch)	17.1347	+0.0181	254 - 440	17 2021	17,0882	17,1304	0.0	17.1185	0.4		_	115
Beigium	(BFr)	50.1262	+0.0867			49,9760	50.0912	0.8	50.0212	Q.A	49.6312	1.0	117
Denmark	(DKn)	9.5190	+0.0068		9.5323		9.5142	0.8	9.533	-0.8	9.5825		117
Finland	(FM)	7.4844	-0.0065		7.5100					-,-		-	88
France	(FFI)	8.3452	+0.0071	418 - 485	8.3578		8.3455	0.0	8.3375	0,4	8.2777	0.8	110
Garmany	(DM)	2.4345	+0.002		2.4400		2,4333	0.8	2.4298	0.8	2.3982	1.6	128
Greece	(Dr)	374,885	+1.043	488 - 861		373,815							
ireland	(32)	1.0149	+0.0022	141 - 157	1.0186	1.0111	1,0147	0.2	1.0144	0.2	1,0181	-0.1	105
Italy	(4)	2491.86	+16,71	006 - 325		2485.55	2497.66	-29	2509.48	-29	2561.01	-2.6	74
Lucembourg	(LFr)	50.1282	+0.0887	782 - 741	80.1750	49,9760	50.0012	0.0	50.0212	0.8	49.6312	1.0	117
Netherlands	(FI)	2.7286	+0.0031	272 - 300	2.7943	2,7206	2.7272	0.0	2,7233	0,8	2.8903	1.4	121
Norway	(NKI)	10.5967	+0.0135	910 - 023	10,8635	10,5248	10,5961	0.1	10.5896	-0.1	10.6003	0.0	86.
Portugal .	ŒŊ	249.084	+0.114	926 - 242	250,261	248.415	250.814	-83	253,984	-7.9	_	-	
Spain	(Pta)	203.020	+0.534	900 - 139	203,386	202.417	203.386	-20	204,475	-2.9	206.796	-1.2	86.
Sweden	(SKy	11.5804	-0.038	704 - 904	11.6193	11,4989	11.6014	-22	11.6484	-2.3	11.8364	-22	78.
Switzerland	(SFr)	2.0277	+0.0071	262 - 291	2.0308	2.0179	2.0249	1.6	2.0181	1.9	1.9788	2.4	123
UK	(2)			-	-	-		•		-		-	80.
Ecu	~	1.2790	+0.0013	783 - 796	1.2812	1.2770	1.2788	0.1	1.2789	0.0	1.2732	0.4	
SDAT	-	0.917657	-	-						-		•	
Americae													
Argentina.	(Peso)	1.6279	+0.009	273 - 285	1.8325	1.6262		-		-	_	-	
Brezil	(F3)	1.3855	+0.0102	834 - 875	1,3898	1,3834		-	_	-	-	-	
Canada	(CS)	2.2055	+0.0104	044 - 086	2.2163	2.2037	2.2045	0.0	2.2039	Q.4	2,1999	0.3	86,
	Peso)	5.5605	+0.034	547 - 682	5.5751	5.5544	-	-		-		-	
USA	(35)	1,6280	+0.008	275 - 286	1.6330	1.6265	1.6273	0.5	1.6267	0.3	1_6187	0.7	80,
Pacific/Middle	East/	Africa											
Australia	(45)	2.2255	+0.027	243 - 268	2.2992	2.2240	2.2264	0.0	2.2268	-02	2.245	-0.g	
Hong Kong	(1-skcs)	12,5807	+0.0632	760 - 854	12,6179	12,5699	12,5768	0.4	12.5757	0.2	12.5827	0.0	
India.	(Flash	51.0883	+0.2504	465 - 901		51,0270	-	-		-		-	
Japen	m	157.908	+0.246	802 - 013	158,560	157.820	1 <i>57.A7</i> 8	3.3	158,473	3.6	151_218	42	189,
Malaysia	(MS)	4.1575	+0.0298	550 - 600	4,1626	4.1464		-		-	100	-	
New Zeeland	(NZ3)	2,6500	+0.017	590 - 616	2,6662	2,6580	2.6638	-1.8	2.6718	-1.8	2.6938	~1.3	
Philippines	(Peso)	41,0257	+0.2353	875 - 699	41,3720	40.6866		-		-		-	
Saudi Arabia	(SPI)	6,1058	+0.0294	031 - 085	6.1251	6.1010		•		-		-	
Singepore	(35)	2,3997	+0.0127	961 - 012	2,4058	2.3973		٠.		-		-	
S Africa (Com.)		5.7074	-0.0187	044 - 103	5.7735	5.7033	-	-	-	-	-	-	
S Africe (Fin.)	(70	6.5039	+0.1213	856 - 221	6.5235	6,4056		•	_	_		-	
South Korea	(Won)	1298.68	+5.37	793 - 922	1303.79	1297.62		-	•	-	•	-	
Talwan	(123	42,3708	+0.0941	478 - 939	42,6001	42.3419		-			•	•	
Theiland	(00)	40,5372		085 - 869	40.6530			-		-		•	

Oct 21		Closing	Change	Bid/offer	Day's	raid	One mo		Three m	artine	One y		J.P Morge
	_	mid-point	on day	apreed	high	low	Pate	%PA	Paste	%PA	Rate	%PA	Index
Енторе													
Austria	ASCH!	10,3250	-0.043	225 - 275	10.5315	10,4735	10.525	0.0	10.5248	20	10.45	0.7	104.8
Belglum	(BFr)	30,7900	-0.0965	700 - 100	30,8100	30.8540	30.8	-0.4	30.75	0.5	30.7	0.3	106.3
Denmark	(DK1	5.8470	-0.0255	455 - 465	5.8540	5.R223	5.8514	-0.9	5.8605	-0.9	5.917	-1.2	105.7
Finland	(FM)	4.5850	-0.028	800 - 900	4,6008	4.5427	4,5857	-02	4.5823	0.2	4.5025	-02	83.3
France	(FFI)	5.1290	-0.0211	255 - 265	5.1320	6.1035	5,128	-0.5	6.1285	0.0	512	0.1	106.9
Germany	D	1,4954	-0.0082	950 - 958	7,4980	1.4863	1,4855	-0.1	1.4938	0.4	1.4827	D.B	107.5
Greece	(Dr)	230_150	-0.5	100 - 200	230.210	228,960	230,445	-1.6	231,025	-1.5	233,225	-1.3	BA.
relead	(80)	1,8041	+0.0044	033 - 048	1,6120	1.6022	1,504	0.0	1.6042	0.0	1.5911	0.0	
Mady	41	1530.50	~1	000 - 100	1532.50	1523.60	1534.85	-14	1542.7	-3.2	1584	-35	75.2
шинтрога	(LFr)	30.7800	-0.0995	700 - 100	30,8100	30.8540	30.8	-0.4	30,75	0.5	30.7	0.3	108.
Netherlands	(73)	1.5761	-0.0064	757 - 764	1.6768	1.8684	1.6763	-0.1	1.6742	0.5	1.8641	0.7	108.
Norwey	(NKr)	6.5090	-0.024	075 - 105	6,5380	6.4550	6.5127	-0.7	6.5305	-1.3	8,584	-1.2	87.0
Portugal	(Es)	153,000	-0.89	850 - 050	153,500	152,440	153,675	-63	154.9	-5.0	160.25	-4,1	95.
Spain	Pin	124,705	-0.29	670 - 740	124,800	124,170	124.97	-2.6	123,71	3.2	127.905	-2.8	81.6
Sweden	CSKA	7.1133	-0.0588	093 - 172	7,1324	7.0511	7,1281	-2.5	7.1008	-2.7	7.325B	-3.0	81.
Switzerland	CSF ()	1,2455	-0.0018	450 - 460	1,2470	1.2370	1.2444	1.1	1.2407	1.8	1.224	1.7	100
DC .	(0)	1,8280	+0.008	275 - 285	1,6330	1.6265	1.8273	0.5	1.6267	0.3	1,5167	0.7	
Ecu	-	1.2730	+0.0051	727 - 732	1,2789	1,2727	1.2723	0.7	1.2718	0.4	1.2699	0.2	
SORt	_	1,48688										-	
American		1710000	_					_	-		_		
Amentina .	(Paso)	1,0000	+0.0006	989 - 000	1,0000	0.9992		-	_				
Bracel	(Re	0.8610		500 - 520	0.8520	0.8500			_		_		
Canada *	CS	1,3548	-0.0009	545 - S50	1.3587	1.8645	1.3547	0.0	1,3651	-0.1	1,3628	-0.6	B3.5
	Post	5.4155	+0.004	180 - 180	3,4160	8.4190	2.4165	-04	3.4183		3,4257	-0.3	
JSA	(5)											_	B3.5
Pacific/Middle		Mine											
Australia	(AS)	1.3670	AD MOR	867 - 872	1,3680	1.3897	1.3673	-D2	1,368	-0.3	1,3753	-0.6	B4.
long Kong	0 HCS	7.7277		272 - 282	7.7262	7.7272	7.7275	0.0	7.7282	0.0	7,7432	-02	
ndia	(Pa)	31,3668		650 - 725	21.3725		21.4538	-3.3	31.5088	-2.9	1,1-6.32		
Manager.	(3)	96.8950		800 - 300	97,1500	- ,,	98,775	2.7	98,195	33	93.54	3.6	150.3
Aniayala	0.450	2.5538	+0.0098		2 5545		2 5446	43	2.5333	3.2	2,6088	-21	1000
		1,6339		332 - 345	1.8348	1.8219	1,8349	-0.7	1.8367	-0.7	1.842		
low Zeeland	(NZS)	26,2000	+0.02		25.R000		1,0348	-41	1.0301	-0.7	1.042	-0.0	
hilippines	(Paso)			000 - 000									
Mudi Arabia	(SFI)	3.7505		500 - 510	3,7510	3,7500	3,7519	-0.4	3.7550	-O.B	3.7745		
Ingeport	(55)	1,4740		735 - 745	1,4745	1.4710	1.4727	1,1	1.4708	20	1,484	0.7	•
Africa (Con.)		3,5056		050 - 085	3,5255	3,5015	3,5213	-5.3	3.5486	-5.0	3.8283	-3.4	-
Africa (Fir.)	60	3.9950		850 - 050	4,0050	3,9250		-10.1	4.0875	-0.3			
South Korea	(Worl)	797.850		500 - 800	798.500	797,500	800.86	-4.5	804,15	-3.3	B22.85	-3.1	
niwan	(LZ)	26,0263	-0.0712	200 - 325	26,0900	26,0200	26,0483	-0.9	26,0863	e.D			
hellend	190	24,9000	-0.027	900 - 100	24,9100	24,8800	24,9725	-3.5	25.1	-32	25.58	-2.7	

CHUSS	RATE	S AN	DERI	VATIVE	s			~=																
XCHAI	IGE C	ROSS	RATES				- 0				120		_		_		_	EMS EUI						Di
Oct	21	BPr	DKr	FFT	DM E		R	MIC-	E .	Pts	SKr	SFr	2	CE	\$	Y	.Ecu	Oct 21	Ecu ten.	Rete egelnst Ecu	Change on day	% +/- from	% sproud	
znudgle	(BF		18.99		4.856 2.0			21.13	496.8	405.0 213.3	23,10 12,17	4.044 2.129		4.390 2.316	1,710	315.0 165.9	2,550 1,344	Netherlands	2.19672	2.14508	-0.00026	-2.35	8.01	
CHINER	(D)		10 11.41		2.557 1.0 2.917 1.2			11.13 12.69	261,6 298.4	243.3	13.88	2.429		2.642	1.951	188.2	1.533	Belgken	40.2123	39.4056	+0.0019	-201	5.84	1
auca Auca	(PF		3.911	3.429	1 0.4			4.351	102.3	85.40	4.758	0.839	0.411	0.906	0.889	64.87	0.525	Germany	1.94954	1.91367	-0.00076	-1.83	5.45	
Jend.			9.385	8,230	2400 1			10.44	245.8	200.2	11.42	1.999		2.176	1.608	155.7	1.261	treiend	0.806828	0.796803	-0.000237	-1,48	5.05	1
dy		E) 49.43 L) 2.012	0.382		0.098 0.0		0.110	3,882	8.996	74.41	0.485	0.081		0.089	0.085	6.339	0.051	Prence Demourk	6.53883 7.43879	5,56127 7,48549	-0.00261	0.34	3.16 2.83	7
dvortand		FQ 18.37	5.489 6.989		0.892 0.3 2.288 0.9			10	91.28 235.1	191.7	10.93	1.914		2.082	1.637	149.1	1.208	Portugui	182.A54	185.837	-0.047	1.55	1.84	-11
ortugai ortugai	(M		3.823		0.978 0.4			4.253	100.	81.53	4.651	0.814		0.886	0.854	63.41	0.514	8pain	154.250	150.875	+0.25	3.52	0.00	-23
iaiu Minaka	æ		4.689		1.198 0.5			5.217	122.7	100.	5.704	0.999	0.493	1.086	0.802	77.78	0.690		1.00					
weden	(6)		8.220	7.206	2.102 0.8			9.145	215.0	175.3	10	1.730	0.864	1.904	1.408	138.4	1.104	NON ERM ME		294.488	+0.4	11.32	-7.91	
witzerland	(SI		4,696		1.201 0.5			5.224	122.8 249.0	100.1 203.0	6.713 11.58	2.027	0.493	1.088	1.628	77.90 157.9	1.279	Greece	254,518 1783,19	1958.54	+0.17	6.28	-5.27	
K .		50.12 51 22.73	9.519 4.317	8.345 3.785	2.434 1.0 1.164 0.4			4.803	112.8	92.06	5.262	0.919	0.454	1	0.738	71.81	0.580	UK	0.788749	0.787030	-0.000805	0.04	3.48	
anade S	(0	30.79	5.847	5.126	1.495 0.6			6.505	152.9	124,7	7.113	1.245	0.614	1.354	1	96.99	0.786	Sou central retire	set by the Bu	ropena Committe	dos. Currencies	are in descending	ig relative street	gth.
ipēn		Y) 31.74	6.028	5.285	1.541 0.6	42 1578		6.707	157.7	128,6	7.334	1.294	0.633	1.396	1.031	100.	0.810	Precentage char	Que are to Bo	nt is bought the	ude gevorie e i	week currency. L	et and Essusant	१६ सार स्वर्धा
		39.19	7.443	6.525	1.903 0.7 In Kronor per			6.280	194.7	158,7 te per 100.	9.054	1.595	0.782	1.724	1.273	123.5	1	for a currency, 4	nd the mades	en permitted per	contage deviate	on of the current	y's market rate	from
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D-MARK	PUTUR	er (min)	OM 125,000													st. vol (Open Int.	S PHEADER	LPHIA DE C	S OPTIONS	£31,250 (cent	a ber bonud)		
	Open	_stost	Change		Low	Est. Vol	Open Int.			Open	1.0353	+0.0040		-		7,224	57,577	Stries		- CALLS -			7UTS	_
ec	0.6701	0.6709				33,753 431	4.358	Mer		1.0340	1,0463	+0.0032			1425	820	6.514	Price	Nov	Dec	Jen		Dec	Jen
ar ar	0.6730	0.6720		0.01-54		3	577	Jun		-	1.0528	-	-		-	25	442	1.550	7.91 5.53	5.04 5.04	8.20 6.23			0.48
		5. , 5																1.575	3.34	4.05	4.47			1,64
			IMM) SF 1	25 000 no	. SEc				THE INC	אטרטיק מ	ES (MM)	982,500 p	₹					1.625	1.65	2.52	3.02			261
SWIES F	RANC P	LUIVES										-0.0008	1.632		270 1	5.803	44,875	1.850	0.62	1.49	1.58			3.90 5.68
	0.8088	0.8078				15,634	42,899 1,168	Mer		1.6298 1.6260	1,6300	-0.0002			1254	34	474	1,675 Previous deche v				7-00 nt., Calls 431,73		
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n n	ERES	T RAT						= T	PEE M			PUTURE								BASE LE	NDING R	ATES		
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UK IN ONDO		NEY R	ATES	One month		Sbt	yeer	Dec			00 00					8378	55663	Affect Trust B	FK	5 Paris Be	rik Umited		ation Limited in	S TO
UK IN ONDO	N MOI	NEY R	ATES	month \$1 ₂ - 51	months B - 5%	months 6,7 - 6,7		Mar		92.65	92.68		92.08											
UK (N) ONDO ot 21	N MOI	Over- night	7 days	512 - 51 514 - 51	months 8 - 5% 5% - 5%	months	yeer				92.68 92.08 91.66	-0.01 -0.02	92.09 91.58		.55	2905	51480	AIB Bank	5.7	5 Francis	a Gen Bank	8.5 longer	authorised as	
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ONDO t 21 crbank State dring CDa crany Bills nk Bills	MOI MOI	Over- night 5 - 34	ATES 7 days notice 51 - 47	512 - 51 514 - 51	months 8 - 5% 5% - 5% 6 5% - 5%	months 612 - 616 613 - 618	yeer 74 - 74 74 - 74	Mar Jun Sep Trade	d on APT.	92.65 92.07 91.62 All Open	92.08 91.86 Interest fig	-0.01 -0.02 a. are for p	S1.58 was explore	0 1		3906	51480	Bank of Baro	cher 5.7	5 Phendiel 5 eRobert Pi 5 Girobenk		5.75 sbank 5.75 Royal I	euthorised as ing institution. Sk of Scotland L Willman Sec	. 5.
ONDO t 21 erbenk Steading CDa scattury Bills to Bills eal authori	n MOI	Over- night 5 - 34 54 - 54	ATES 7 days notice 51 - 47	month 5½ - 5³ 5¼ - 5³ 6¾ - 5; 5¼ - 5; 5¼ - 5;	months 8 - 5% 5% - 5% 6 5% - 5%	616 - 616 616 - 616 616 - 616	yeer 74 - 74 74 - 74	Mar Jun Sep Trade	d on APT. HORT ST	92.65 92.07 91.62 All Open	92.08 61.86 harrest fig OPTION	-0.01 -0.02 - are for p	S1.58 was explore	0 1	100%		51480	Bank of Baro Banco Blood Bank of Cypn	cher 5.7 da 5.7 Vizonya 5.7	75 Prendel 75 Ghobert Pi 75 Ghobert 75 GGultrites 75 Habib Ba	Metron	8.5 longer 5.75 sbenk 5.75 Royel 5.75 eSmith 5.75 TSB _	ing institution. Sk of Scotland & William Sec	= 5. s. 5.
ONDO pt 21 erbenk Ske erfing CDe esseury 884 nk Bits er authori ecount Ma	ring by deps.	Over- night 5 - 3 ³ 4 5 - 5 ¹ 4 5 - 3 ³ 4	7 days notice 514 - 47 514 - 514 514 - 514	month 512 - 53 514 - 51 513 - 51 514 - 51	months 5 - 54 5 - 54 6 - 55 6 - 55 1 - 54 5 - 55	months 6.2 - 6.3 6.3 - 6.3 6.4 - 9 6.6 - 6.3	yeer 74 - 74 74 - 74	Mar Jun Sep Trade	d on APT. HORY ST	92.65 92.07 91.62 All Open	92.08 91.86 httprox 5g CPTTON	-0.01 -0.02 - are for po	91.89 whole day. 000,000	points o	# 100% —— PL	лз		Barrix of Barro Barrix of Barro Barrix of Cypt Barrix of Iralan	cher	75 Priendel 75 eRobert Pr 75 eGuirmon 75 eGuirmon 75 Habib Ba 75 eHambros	Methon Methon nk AG Zurich Bank	6.5 longer 5.75 sbank 5.75 Royal I 5.75 eSmith 5.75 TSB _ 5.75 @United	ing institution. Bk of Scotland L William Sec Bk of Numb.	- 5. - 5. - 5.
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	te	Man u	otice	month	months	months	yeer
Belgian Fran	4 4 4	- 412 41	- 472	5 44	54 - 53	5,4 - 5,4	84 - 64
Danish Krons D-Mark				B - 54 以 - 4社	6 ³ 4 - 6 ³ 4	54 - 65 54 - 54	7 2 - 73 5 4 - 5 2
Dutch Guilde	r 4階	- 412 44	- 441 4	내 - 4년	50 - 50	50 - 50	54 - 54
French France Portuguese S			- 54 5	12 - 64 14 - 64	5 - 5 - 5 - 10	53 - 54 104 - 104	64 - 64 104 - 10
Spanish Peak	da 7½	- 7% 7%	- 73- 7	5 - 7 2	7ほ - 7日	83 - 84	51 ⁵ - 8
Swiss Franc		- 53 55 - 34 37	- 63 5	12 - 57 11 - 31	512 - 512 416 - 312	612 - 618 414 - 418	7., - 7,
Can. Dollar	4)	45 44	- 41 4	13 - 41	512 - 61	6& - 5H	4% - 4½ 6% - 6%
US Dollar Italian Lira	41	- 4% 41	- 41	5 44	54 - 512 84 - 84	512 - 512 814 - 914	67 . 64
Yen	24	- 24 24	- 2/2 2	24	2 2	22 . 26	104 - 10, 214 - 24
Asian SSing	13	- 14 14	- 14 2	24	34 - 34	352 - 312	4 - 3%
Short term rat	CH	TOP STAN LISS S	Aplar and Y	en, albers;	para gallar, usa	ice.	
THREE	номти г	THOR PUT	TURRES DA	ATIF) Paris	Interbenk o	ffered nite	
	Open	Sett price	_		Low	Est, voi	Open In
Dec Mar	94.23	94.19	-0.03	94,24	94.17 93.70	19,747 14,094	58,475 38,113
Jun	93.37	93.33	-0.07	93.39	93.31	8,590	26,641
Sep	93.02	92.84	-0.10	93.03	92.92	3,058	19,559
n Theres	HOMEN I	LINODOLI	LAIR (LIFFE	E)* \$1m po	inte of 1009	6	
7	Open	Sett price	Change	High	Low	Est. vol	Open in
Dec	94,00	94.00	-0.03	94.00	94.00	10	2519
Mar Jun		93.57 93.11	-0.01 -0.04			0	1386 300
Sep		92.77	-0.03			ŏ	56
E THREE !	PORTH I	Unonlar	K PUTUR	88 (LIFFE)	DM1m poi	rits of 1009	4
	Ореп	Sett price			Low	Est. vol	Open in
Dec	94.84	94.79	-0.05	94.86	94.70	84315	157728
Mar	94.54	94,47	-0.08 -0.08	94.57	94,44	54988 34786	138139
Jun Sep	94.14	94,08	-0.10	94.17	93.63	15461	79198
B THREE		RUROLIRA		E PUTUR		1000m pok	sts of 1009
	Ореп	Sett price	Change	High	Low	Eat, vol	Open in
Dec	90.85	90.80	-0.02	90.70	90.55	4B51	32343
Mar Jun	89.86 89.43	89.97 89.44	-0.05	89.96 89.43	89.88	3792 761	23619 15519
Sep	89.04	89.06	-0.03	89.06	89.01	773	17545
					S (LIPPE) S		s of 100%
	Ореп	Sett price	Change	High	Low	Est, vol	Open Ir
Dec	95.79	95.BO	+0.02	95,83	95.76	2783	19780
Mar Jun	95.48 95.11	95.47 95.05	+0.01	95.49	95,42	7996 609	18151 5290
Sep	94.73	94.72	-0.01	94.81	84.72	188	1494
II THENEX!		CU PUTU	MES (1.1)	E) Ecution	points of 10	00%	
	Open	Sett price	_		Low	Est. vol	
Dec	93.84	98.81	-0.04	93,84	93.76	727	7304
Jun	93.40	93,36	-0.06 -0.09	92.90	93,33	732 473	6739 3776
Sap	B2.37	92.38	-0.08	92.38	92.36	127	2193
· LIFFE luture	e tracted or	n APT					
n Theres	HOMETH S	EURODOLI	LAR (MIN	\$1m poin	ts of 100%		
	Open	Latest	Chengo	High	Low	Est. vol	
Mer Mer	94.00	93.98 95.54	-0.02	94.01	93.97 93.53	167,027 185,407	
Jun	93.11	83.09	-0.02			111,637	
E US TREA	- VIII			Sim n=	10096		
Dec	94.59	94.58	-0.01	94.60	84,57	1,389	17,724
Mile	94.09	94.09	-0.01	94.09	84.09	371	9,211
Jun	•	63.63	•	-	93.63	332	3,964
All Open Inter	eat figu. en	a for pravious	s"chay				
	JW OFT	TONE (LIFE	DM1m	points of 1	00%		
= EUMON/	Mari	CAI		Mar		PUTS -	
Strike	Nov	Dec 0.13			Nov De		Mar 0.39
Strike Price	0.00		0.03	0.06	23 0.2	0.56	0.58
Strike Price 9475	0.09			0.02 0	46 0.4		0.80
Strike Price 9475 9500 9525	0.02	D.D1					J178
Strike Price 9475 9500 9525 Est, vol. total,	0.02 0 Cale 1112	0.D1 0 Puts 1554	S. Previous	dey's open	ooksis of 10	870 Pubs 184 0%	
Strike Price 9475 9500 9525 Est, vol. total, III (SLIPEO S)	0.02 0 Cale 1112	0.D1 0 Puts 1554 USC OPTIO	DOIS (LIFT)	dey's open E) SFr 1m	points of 10	0%	
Price 9475 9500 9525 Ent. vol. total, III SURTO ST Strike	0.02 0 Cale 1112	D.DI O Puls 1554 UNIC OPTIC	DOS (LIFT)	dey's open E) SFr 1m Jun	Dec	PUTS -	Jen
Strike Price 9475 9500 9525 Ent. vol. total, El BURNO 5) Strike Price 9575	0.02 0 Cals 1112 WISE FRA	D.DI O Puls 1554 UNC OPTIC CAI	Dels (Liff)	Jun 2.06	Dec 0.08	PUTS - Mer 0.46	Jun 0.75
Strike Price 9475 9500 9525 Eat, vol. total, B. RUNDO \$1 9576 9600	0.02 0 Cale 1172 W136 FRA	0.D1 0 Puts 1554 UNC OPTH CAI : M 0.1	Dels (LIFF)	Jun	Dec 0.08 0.23	PUTS Mer 0.46 0.59	Jen
Strike Price 9475 9500 9525 Est, vol. total, III NUMO SI Strike Price 9575	0.02 0 Cale 1112 WESS FRA Dec 0.13 0.03	0.D1 0 Puts 1554 UNC OPTH CAI : 0.1 0.0	Dets (LIFF)	Jun 0.08	Dec 0.08 0.23 0.46	PUTS	Jun 0.75

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LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent in last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Tallarmen system, they are not in order of execution but in ascending order which denotes the day's highest and lowest For those securities in which no business was recorded in Thursday's

with the relevant data.

Rule 4.2(a) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. Φ Bargains done the previous day.

British Funds, etc. Tressury 134,% Stk 2000/03 - £1234 Corporation and County

Birmingham Corp 31/2% Stk 1946(or after) -234 Dudley Metropolitan Borough Counci?** Ln Sit 2019 (Regif?/P) - 279² A3 Neucastd-1,00n-1,7vel(t)y of) 11¹4.9c Red Sit 2017 - 2119² (180c99 Reading Corp 3% Sit 1982(or after) - 229 Swansasi(Chy of) 13¹4.9c Red Sit 2000 -

UK Public Boards Clydeport Ld 4% Irrd Stk - £39 (14Oc94) Metropolitan Water Metropolitan Water 344 A Six 63/2003 - 5573 (190054) Metropolitan Water Lambeth Water Works Co 354 Red Deb 556 - 552 (190054) Port of London Authority 356 Port of London A 56x 29/36 - 577 2 50 (190054) Port of London Authority 3½% Stk 49/99 -279 (190c94)

Foreign Stocks, Bonds, etc-(coupons payable in London) Abbey National Treasury Servs PLC 8% Gtd Nts 1999(8:21000,10000,100000) - 288¹2 (150c94) Abbey National Treasury Servs PLC 6¹2 % Gtd Bds 2003 (Br 8 Var) - 589.3 (190c94)

bbey National Treasury Servs PLC 6.75% Gtd Nts 2004(BrSC1000810000) - SC81.95 (180-24)
Abbay National Treasury Serva P.L.C 73, %
Grid Nts 1998 (Br 2 Var) - 5363, (180-64)
Abbay National Treasury Serva P.L.C 8% Gtd
Bds 2003 (Br 2 Var) - 5217g, (180-64)
Alled Domecq P.L.C 105; % Bds
1999(8:550000) - 5105; (170-694)
Adda Finance Ld 103, % Chr Cap
Bds2005(Br 550003100000) - \$1083,

ca Inc 012% Gtd Nts 1998 fBr £ Var) - \$101 \((180c94) \\
Var) - \$101 \(180c94) \\
Var) - \$101 \((180c94) \\
Var) - \$101 \((180c94)

Varians Sank PLC 6.5% Nts 2004(BS.Various) - 92212
Barclays Bank PLC 9.875% Undated Subord Nts - 93614 (170-54)
Sarclays Bank PLC 104-% Son Sub 8ds 1987(B-0100010000) - 21034 (190-64)
Sristol & West Building Society 1076 %
Subord Bds 2000(B-2100003100000) - 21014 4 (180-54)
Britannia Building Society 1072% Bds 2000 (Br 2100008100000) - 21045 (190-64)
British Ameripace PLC 104-% 8ds 2014 (Bd-100008100000) - 2104-3 [3 (190-64)
British Ameripace PLC 1175/% Bds 2003 [Br 21000810000] - 2115-48 (170-64)

£1000&10000) - £113.46 (17Oc94) 2008(9:21000&10000) - 2107½ (170c94) British Gas PLC 7½% Nts 1997 (Br £ Var) 599 k British Gas PLC 75,96 Rds 2000 (Br £ Var) -£955 (190c94) British Gas PLC 84,96 Rds 2003 (Br £ Var) -

£333₂ British Gas PLC 87₂% Bds 2008 (Br £ Var) -2974 (180094) British Gas PLC 71₆% Bds 2044(2421000,10000,1000000) - 2765₈ British Telecommunications PLC Zerg Com Bdq 2000(Br£1000810000) - £623

(1900a)
British Telecommunications PLC 7½% Bds
2003 (Br C Var) - 298.58
Burnish Castrol Capital/Jersey) Ld 9½% Cov
Cap Bds 2006 (Flog 1000) - 5148
Commercial Union PLC 10½% Gdd Bds 2002
(Br C Var) - 5105½ (140cs4)
Daily Mait & General Trust PLC 8½% Exch
Bds 2005 (8/67/00085000) - \$160½
1190cs94)

(190694)

Denmark(Angdom of 64, % Nts 1998 (Br 2 Var) - 5031/3 85 (190694)

Depta France N.V. 71/3% (Bid Bids 2003 (Br 2 Var) - 586.% (190694)

East Melania Sichicity PLC 12% Bids 2016 (Br 21000 & 100000) - 21231/4 [2] (190694)

Eastern Electricity PLC 67/3% Bids 2004(812 Var) - 2537/1

Bid Enterprise Finance PLC 88/4 (Bids 2004)

Bids 2006 (Br 2007)

Bid Enterprise Finance PLC 88/4 (Bids 2004)

Bos 2000(97:50000 100000) - 125:5:076 6:875 1400:84) Export-Import Bank of Japan 8% Gid Bds 2003(98:55000) - \$100.55 (180:694) For Eastern Department Stores Ld 3% 6ds 2001(Reg Integral motal 51000) - \$1044a 1054a

1054 Far Eastern Textile Ld 4% Bds 2006(9x\$10000) - \$116 (19Oc84) Finland(Republic of) 84% Nts 1997 (9x\$ Var)

Patrinstifiepublic of) 84-94 Nts 1997 (8r2 Var)
- 21024.
Finkandifiepublic of) 1014 % Bds
1997(8r21000x10000) - 21034 (170-94)
Full Burkt Ld 14/95 Criv Bds 2002(8r55000) \$109 (140-94)
Garrada Group PLC 1114/95 Bds 2018
(8r21000x100000) - 21121/4 (140-94)
Gurranteed Export Finance Corp PLC 107/95
Gdd Bds 2001 (8r224) - 21077/8 (140-94)
Gurness PLC 77/95 Nts 1997 (8r £ Var) \$297 (170-94)
Gurness PLC 107/95 Nts 1997 (8r £ Var) \$297 (170-94)
Gurness PLC 107/95 Nts 1997 (8r £ 1000 &
10000 - 2104/9 (190-94)
Halfac Building Society 81/95 Nts
1999(8r24/ars) - 2397 (8 ½ 100-94)
Halfac Building Society 81/95 Nts
1999(8r24/ars) - 2397 (8 ½ 100-94)
Halfac Building Society 81/95 Nts
1999(8r24/ars) - 2397 (8 ½ 100-94)
Halfac Building Society 18-95 Nts
1997(8r24/ars) - 2397 (8 ½ 100-94)
Halfac Building Society 18-95 Nts
1997(8r24/ars) - 2100-4 190-984)
Halfac Building Society 18-95 Nts
1997(8r24000x10000) - 2104 (140-94)
Halfac Building Society 1176 Subord 8ds
2014(8r210000x100000) - 2102 (140-94)
Halfac Building Society 1176 Subord 8ds
2014(8r210000x100000) - 2104 (140-94)
Halfac Building Society 107/96 Nts
1997(8r21000x100000) - 2104 (140-94)
Halfac Building Society 107/96 Nts
1997(8r21000x10000) - 2104 (140-94)
Halfac Building Society 107/96 Nts
1997(8r21000x100000) - 2104 (140-94)
Halfac Building Society 107/96 Nts

ammerson Property Inv & Dev Corp 10 4% Bds 2013 (Br£10000&100000) - £102 4s Bos 2013 (ST. A0005 1000) - 1,112-1 1140c94) Hanson PLC 91/24 Chv Subord 2006 (Br EVar) - 1,1031-1,110c94) Hanson PLC 101/44 Bds 1997 (Br EVar) -1014 4 (180c94) Hanson Trust PLC 16% Bds 2006 (Br25000) - 1,101.3 (170c94)

Hanson Trest PLC 18% Bds 2006 (Br25000)
- E101.3 (170-08)
Hickson Capital Ld 7% Criv Cap Bds 2004 (Reg) - 131 (190-694)
Hickson Capital Ld 7% Criv Cap Bds 2004 (Br51000310000) - E129
Impartal Cremical Industries PLC 9½ 6 Bds 2005(Br51000310000) - E107½ (190-694)
Impartal Cremical Industries PLC 10% Bds 2005(Br51000310000) - E107½ (140-694)
Impartal Cremical Industries PLC 10% Bds 2005(Br51000310000) - E107½ (140-694)
International Barak for Rec & Dev 10% Bds 1999(Br51000310000) - E107½ (170-694)
International Barak for Rec & Dev 11½% Nrs 2001(Br51000031000) - E107½ (190-694)
International Barak for Rec & Dev 11½% Nrs 2001(Br51000031000) - E107½ (190-694)
International Barak for Rec & Dev 11½% Nrs 1908 (Br £ Var) - E39½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br £ Var) - E39½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ Nrs 1908 (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ (Br5000850000) - E107½ (190-694)
International Barak for Rec & Dev 11½ (Br500085000

Deycle Bank PLC, 9°-5° Subord Bda 2022 (8° £ Var) - 158°4, 14 MEPC PLC 0° 1/2 Bda 2004(Br21000810000) - 159°4, (170-54) MEPC PLC 12°5 Bda 2008 (Br £10000 & 100000) - 2114°6, (140-64) Marica & Scencer Finance PLC 7°4, % Gbd Nts 1996 (Br £ Var) - 255°1440-64) Municipality Finance Ld 9°4, 6 Gtd Nts 1997 (Br €Var) - 151°2 1140-64) National Grid Co PLC 7°4, % Bds 1998 (Br £ Var) - 285°7, 6°7, National Grid Co PLC 7°4, % Bds 1998 (Br £ Var) - 189°7, 6°7, National Grid Co PLC 7°4, % Bds 1998 (Br £ Var) - 199°7, 1180-694)

National Westminster Bank PLC 1114.%
Subord Nts 2001 [Br £Var) - £110 (14Oc64)
National Westminster Bank PLC 1112% (IndSubNts 21000(Gnv to Prifileg - £094-4)
Nationwide Building Society 55% Subord
Nts 2015 (Br £ Var) - £764-4
Nationwide Building Society Zero Con Nts
1998 (Br £ Var) - £707 (18Oc64)
Northern Rock Building Society 117-%
Subord Bds 2000 (Br£5000) - £104-3
(18Oc94)
Custor Gos Co Ld 6.125% Bds 2003 (Br £
Var) - £825 (19Oc94)
Pscffic Bectric Wire&Cable Co Ld 34,% Bds
200 (Brg500003£00000) - £119.15 120
(14Oc64)

(140-64)
Pacific Bectric Wire&Cabie Co Ld 8 k.% Bds 2001(8:410000) - \$1193; (180-64)
Pearson Stering Two PLC 9.5% Gd Bds 2004(8:2 Vers) - \$193; (170-84)
Peninsuler & Oriental Steam New Co 1112% Bds 2014 (8:42 06:100008.100000) - \$1124; (190-84)

(19Qc54)
**PowerGan PLC 87a % Bds 2003 (Br 5100004,100000) - 29634 (19Qc54)
**Pudential Finance BV 97a % Gtd 8ds 2007 (Br25000&100000) - 29934 (Gtd 8ds 2007 (Br25000&100000) - 29934 (Std 8ds 2007 Subord Gdd Nts (Br 2 Var) - 58232 .575 loyal Bank of Scotland PLC 67a % Bds 2004(Br2Vars) - 532.8 (19Qc94) Royal Bank of Scotland PLC 65/1% Bds 204(@CVar) - 282.6 (180.694) Royal Bank of Scotland PLC 91/2% Undated Subord Bds (Br. 2 Var) - 29714 Royal Bank of Scotland PLC 101/3% Subord Bds 1998 (Br:55000825000) - £1041/4 1800-06

£1251₂ (190c94)

E12512 (190094)
Shrows Navigation Corporation 3.75% Bds
2003 [Br. \$100008100000] - \$10612 10712
Smithfidine Becchern Capital PLC 71.% Gdd
Nts 1998 [Br £ Var) - £96.20
Smithfidine Becchern Capital PLC 812% Gtd
Nts 1998 [Br £ Var) - £37 (190094)
Smithfidine Becchern Capital PLC 812% Gtd
Nts 1998 [Br £ Var) - £37 (190094) PIS 1998 (9* E Visr) - C37 (190694) State Bentik of New South Wales Ld 7% Bds 1999 (8* SA Var) - SAG2 & (170694) Svetden(Kingdom of) 6½ % Nts 2003 (Reg \$1000) - 290.1 (140694) Sweden(Kingdom of) 1114% Bds 1935(Br \$5000) - 21014 (170694) Termital Engages Memoral Ld Glaff Cray Com-\$5000) - \$101\(\) (170c94)

Tarritto Finance (Jersey) Ld 9\(2\) & Cnv Cap

Bot 2009 (Reg \$1000) - 295 & 5 \(\) 8

Tate & Int Pinance PLC 8% Gld Bds

199(\$3\(2\) 00004 000001

Sub & 199(\$3\(2\) 00004 000004

Sub & 199(\$3\(2\) 00004 000004

Sub & 199(\$3\(2\) 00004 000004

Tablety in the PLC Tablety the PLC \$\(3\) \(\) \(\) Tablety in the PLC \$\(3\) \(\) \(

Tesco Capital Ld 9% Cnv Cap Bds 2005[Reg E1] - £115¹2 6 ¹2 Tesco Capital Ld 9% Cnv Cap Bds Tesno Capital LG 9% Criv Cap Bds 2005(Br25000810000) - C1144
31 International BV 71.% Gird Bds 2000 (Br 2
Var) - 9901, (170c94)
(Br 2 Var) - 89612 (170c94)
Toyota Motor Corporation 5.825% Bds 1998
(Br 3 Var) - 89614 (140c94)
Tradisjon House PLC 107.% Bds 2014
(Br2100003100000) - 2103 (140c94)
(Durd No Statel Enterprise Corp 4% Bds 2014
(Br310003100000) - 2103 (140c94)

Tung Ho Steel Enterprise Corp 4% Bds 2001(Br\$10000) - \$112 (19Oc94) 2001(81510000) - 3112 (1900-94)
U-Ming Merina Transport Corporation1-1-5%
Bds 2001(Reg in Mult \$1000) - \$110 111
United Vingdom 7-1-5% Bds 2002(8r5Var) - \$64.5 (1-00-94)
United Kingdom 9-1-5% Bds 2001(8r ECV1000,100008,100008) - EC103.52
URB-9-0

ing(S.G.) Group PLC 9% Perp Subord (RepNtsBri) - 282.05 (190c84) proprieser() = 282.05 (190cH4) andesireditions, Baden-Wurttenberg \$C25m 8.625% Nts 22/12/97 = \$C101,4 10112 (190cH4) redenficación weden(Kingdom of) £800 m 71/2% Nts 3/12/ 97 - £97 or = 1247 weden(fungdom of) £350m 75g% Bds 28/7/ 2000 = 2933g (140c94) weden(fungdom of) ECU100m 71g% Nts 2000 = EC943g 95.05 (190c84)

Sterling Issues by Overseas Borrowers

Asian Development Sank 10²4% Ln Stk 2009(Reg) - C111.325 (180c94) Austrelie(Commonwealth of) 9¹2% Ln Stk 2012(Reg) - C10²4, (170c94) Bank of Greece 10³4% Ln Stk 2010(Reg) -297% (190094)
Denmark@ingdom of) 18% Ln Sik 2005 \$127 (190694) European Investment Bank 9% Ln Sik 2001 (Reg) - C1007₉Φ European Investment Bunk 9½% Ln Sik 2009 (-100%)
European Investment Bank 10½% Ln Sik 2009 - E104% 925
European Investment Bank 10¾% Ln Sik 2004(Reg) - E108% (140-64)
European Investment Bunk 11% Ln Sik 2002(Reg) - E111 ¼ (190-64)
Hydro-Quobec 15% Ln Sik 2011 - E141‡
International Bank for Rec & Dev 9½% Ln Sik 2010(Reg) - E103 (180-64)
International Bank for Rec & Dev 11.5% Ln Sik 2003(Reg) - E107% (170-64)
Malleysia 10¼% Ln Sik 2009(Reg) - E107% (170-64)
New Zeeland 11½% Sik 2009(Reg) - E105¼ (170-68) New Zoaland 11¹2% Str 2014(Reg) - £122 (190c94) reden(lingdom of) 8³4% Ln Stk 2014(Reg) \$103%

Listed Companies(excluding IT IVESTITIENT TruSts)

ANH PLC 4.2% Curn Pri £1 - 57 (140e94)
ANH Investments PLC \$1.2% Uns Ln Stk 67/
2002 50p - 37 (140c94)
ANH Investments PLC 71.2% Uns Ln Stk 97/
2002 50p - 45 (190c94)
ASH Capital Finance(James)(Ld 91.2% Cnv
Cup 8ds 2006 (Reg Units 100p) - £71 31/
(190c94)
Abendeen Trust PLC Was to sub for Ord - 45
(170c94)
About Harber Group PLC ADR (1011) - \$7.18
(170c94)
Alsoon Group PLC 8.2% (Mat Cur Investment Trusts)

United Mexicun States 161₂% Ln Stk 2009(Br) - £1381₂

on Group PLC 8.25p (Net) Criv Cum Red Bed London Properties PLC 10% Cum Pri S1 - 107 (190c94) Alled Domecq PLC ADR (1:1) - \$9.54 Alled Domecq PLC 7¹2% Cum Pri £1 - 75 (170e94)
A8led Domecq PLC 113,% Deb Stk 2009 £1193c (190c94)
A8led Domecq PLC 81c% Uns Ln Stk - £83

Alied Domecq PLC 8%% Uns Ln Stk - £83 Alied Domecq PLC 7 4% Uns Ln Stk 93/98 -285
Alled-Lyons Financial Services PLC63,%
GtqCm/SubortBds2008 RegMutdC1000 £10832 .7 3, 93, 33 12
Alvis PLC 5.5% Cnv Cum Non-Vig Red Pri n Brands Inc Sha of Com Stk \$3,125 American Brands Inc Shts of Com Sik \$3.125

- 355⁵₂

Americach Corp Shs of Com Sik \$1 - \$393₄th
Andrews Sylese Group PLC Crv Prf 50p - 42

\$12

Angles Weter PLC 51₈% Index-Linked LinSik
2008(9.2579%) - £132

Angle-Eastern Plemtetions PLC Warrants to
sub for Ord - 22 (140c94)

Angle-Eastern Plemtetions PLC 121₂% Une
Lin Sik 95/99 - £35 (140c94)

Amour Trust PLC 101₂% Uns Lin Sik 91/96

£100 (180c94)

Aster Planted Planted Linked Linked

Deb Sik 2011 - £1011₂ 2

Attwoods (Pinance) NV 81₂p 6td Red Crv Prf
5p - 881₄ 12 (180c94)

Automated Security(Hdgs) PLC 5% Criv Cum
Red Prf £1 - 45 (190c94)

Automated Security(Hdgs) PLC 5% Criv Cum
Red Prf £1 - 45 (190c94)

oducts PLC 4.55% Cum 2nd

Red Pri £1 - 46 9

Pri £1 - 60 BAT industries PLC ADR (2:1) - \$14.72 (160c94)

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BET PLC ADR (4:1) - \$5.57477¢ SM Group PLC 4.5p (Nei) Cnv Cum Red Pri 20p - 66 7 BOC Group PLC ADR (1:1) - \$11½ BCC Group PLC 12½~4 Ums Ln Six 2012/17 - 1*223 A ATP PLC 7.50(Net) City Cum Red Prf 100 -179
BITH PLC ADR (4:1) - 619% 20.53 (190:594)
Bempton Property Group Ld 71,9% Uns Ln St(671,68) - 251 4
Bangkok kneestments Ld Pog Red Prif \$0.01 - \$139 (140:594)
Berner Homse Group PLC Ord 10p - 1251₈ ents Ld Ptg Red Pri \$0.01 -

1180299
Berdaya PLC ADR (4:1) - \$36.85\$
Berdaya Benk PLC 12% Uno Cap Ln Stk
2010 - 21172 (170599
Berdaya Benk PLC 16% Una Cap Ln Stk
200207 - 2134 (19059)
Berdaya Benk PLC 16% Una Cap Ln Stk
200207 - 2134 (19059)
Berdan Group PLC 7.25p (Net) Cnv Red Pri
25p - 85.95 0 (14069) on Group PLC 8.86% Cum Prf £1 - 43 (19CC94) Bardon Group PLC 11,25p Cum Red Pri 2005 10p - 187¹2 (17Cc94) Barings PLC 8% Cum 2nd Pri £1 - 94¹2 (19Cc94) ngs PLC 0 k% Non-Cum Pri £1 - 113 k

Barnato Exploration Ld Ord R0.01 - \$43 FZ17 p 225 40 80 (190c84) Barn & Wallace Amold Trust PLC Ord 25p -580 85 (190c84) 590 85 (190094) Bass PLC ADR (2:1] - \$17¹4, 28 (170094) Bass PLC 10¹8⁴6 Deb Sik 2015 - £112 Bass PLC 10.65⁴76 Deb Sik 96/99 - £103¹2 (140094) Bess PLC 442% Uns Ln St. 92/97 - 289/2 Bess PLC 71/4% Uns Ln St. 92/97 - 295 Bess twestments PLC 71/1% Uns Ln St. 92/ 97 - 295/2 (190094) Bellway PLC 8.5% Cum Red Pri 2014 St -

106 (170c94)
ergesen d-y AS "B" Non Vtg Shs NK2.5 NK144 4 .15 .61
kmingham Midshines Building Soc 9¹/₂%
Perm Int Bearing Shs £1000 - 598¹/₄ 7¹/₄
lackwood Hodge PLC 9% Cum Red Prf £1
-421-4 Blackwood Hodge PLC 99s CUM read PT# ± 1 - 43/2 4
Bittle Circle Industries PLC ADR (1:1) - 54.84
Boddington Group PLC 8/2% Une Ln Stv. 2000/05 - 9906
Boots Co PLC ADR (2:1) - 517.18 (1900/96)
Boots Co PLC ADR (2:1) - 517.18 (1900/96) Practiced & Bingley Building Society119%
Perm Int Bearing Sha £10000 - £111½
Practiced & Bingley Building Society13%
Perm Int Bearing Sha £10000 - £122¾ 3

nt Walker Group PLC Was to Sub for Ord Brent Walfor Group PLC Var Rize 2nd Criv Rod Pri 2000/2007 Et = 6 (180084)
Frant Walfer Group PLC 8.5% 3rd Non-Curn Criv Red 2007/10 £1 - 2
Prissot Water PLC 8¹/₂% Curn Irrd Pri Ct = 1041/4 (190084)
Bristot Water PLC 10.40% Red Deb Six 2000/02 - E109 (170084)
Bristot Water Ridge PLC Ord Ct = 982
Bristot Water Ridge PLC Ord Ct = 982
Bristot Water Ridge PLC Crit Six Curn Criv Red Pri 1998 Sits Et = 192 (170094)
Bristot & West Euklichig Society 13¹/₂% Perm Int Bearing Six E1000 - £1181/4 ½ ½ ½ ½
British Always PLC ADR (101) - \$82.4
British Alexan Aluminium PLC 10¹/₂% Deb Six 2011 - E101 ½ 2 Brent Walker Group PLC Var Rts 2nd Cnv 2011 - £1012 .8

entieh-Armenean Tobacco Co Ld 5% Cum Pri Str. 21 - 50 (190c94) SSK ET - 50 (1 NCC6M) Smitteh-American Tobacco Co Ld 8% 2nd Cum Pri Stk Et - 59/2 (180c84) Smitteh Petroleum Co PLC 8% Cum 1st Pri £1 - 70
British Petroleum Co PLC 9% Cum 2nd Prf E1 - 85 | 180c84|
British Steel PLC ADR (10:1) - £15.839 \$ 25-1, 4
British Steel PLC 1112% Deb Stk 2016 - £1183 | (140c84)
British Steel PLC 15.634 | 1e3 AMA Dab Cub \$1184; (140c94) 9:tidon Estate PLC 9.50% 1st Mig Deb Stk 2028 - C100 3:dmer(H.P.)H4dgs PLC 84;% 2nd Cum Prf £1 - 104 (190c94) r(HLP.)Hidgs PLC 912% Cum Prf £1 -

Bunzi PLC 7% Cmy Uns Ln Stk 95/97 - \$104 mah Castrol PLC 74% Cum Red Prf £1 -8612 Rumain Castrol PLC 8% Cum Prf £1 • 73 Burnah Cashrol PJ.C 8% Cum Prf S1 - 73
Burton Group PJ.C 8% Cnv Une Ln Stk 1998/
2001 - 022½ ½ 3 4
Butte Minting PJ.C 10% (Not) Cnv Cum Red
Prf 1994 10p - 3 (170c94)
Capital & Countlee PJ.C 9%% 1st Mtg Deb
Stk 2027 - 2102% Sik 2027 - 21024 capital Strategy Fund Ld Ptg Red Prf \$0.01(Laper Fund She) - Y679.8 (180c94) carton Communications PLC ADR (2:1) -\$27.15 .28 (170c94) 327.15.28 (170634) auton Communications PLC 7¹2⁴ Cnv Subord Bds 2007(Reg £5000) - £130¹2

Subord Bos 2007(Neg 15000) - \$130*2 (180094) Caterpillur Int Shs of Cum Sit \$1 - \$55*/ (190094) Cantax Corporation Shs of Cum Sit \$0.25 -\$23 363 Chartwood Allanca Hidgs Ld 71₂% Uns Ln Stk 50p - 341₂ (180c94) Chartros PLC 7% Cum Prf £1 - 70 (190c94) Chaptabor Resecourse PLC Ord 25p - 281₂ (190c94) Clayhithe PLC 9.5% Subord Cny Uns Ln Stk 200/01 - SSS
Cleveland Place Holdings PLC 3¹/₂% Ind Deb 5tk - S39
Constat Corporation Shs of Cum Str \$9.33 1/
8 - \$27²/₂ (140:34)
Costs Pittons PLC 8¹/₂% Lins Ln Str 2002/07 - S80 (180:69)
Costs Viyella PLC 4.9% Cum Prf \$1 - 62 3
CohonyA.) & Co PLC Non.V "A" Ord 20p - 500 35
Commercial Union PLC 3.5% Cum Red Prf \$1 - 65 (180:694)
Connapercial Union PLC 8¹/₂% Cum Ind Prf E1 - 65 (180084) Commercial Union PLC 83/94 Cum lind Pri E1 - 67 14 12 Commercial Union PLC 83/96 Cum lind Pri E1 = 104 ½ ½ 20-Operative Benk PLC 9.25% Non-Cum lad

Co-Operative Bents PLC 9.25% Non-Cum Inte Pri Ct - 1034 Cooper (Fraderick) PLC 6.5p (Net) Cmv Red Cum Pag Pri 10p - 32 (1800-9) Courtants PLC ADR (11) - 57% (1800-9) Courtants PLC 572% Uns Ln Ski 94/96 -284/2 (1700-9) Courtants PLC 73/% Lins Ln Ski 2000/05 -288 CS8 Coventry Building Society 12¹₈% Perm Inter-est Borning Sha C1000 - £112¹₈ 3¹₈ Daily Mail & General Trust PLC Ord 50p -£13.05**0** Delta PLC 3.15% Cum 2nd Prf £1 - 45 Delta PLC 10%% Deb Stk 95/99 - £101

| (140-94) | Dep Set \$0/85 - £101 | (140-94) | Dencom PLC 8.25% Cum Cnv Red Pri £1 - 108 (190-054) | Dewhirst Group PLC 9.75% Cum Pri £1 - 105 105
Dewlurst PLC Ord 10p - 68
Dover Corp Cum Sik \$1 - \$56% (18009)
Ecclesiantical Insurance Office PLC10% Red
2nd Cum Prf \$1 - 108 (19009)
Eclipse Blinde PLC Ord \$5 - 9 19
El Ord Mining&Exploration Co PLC Ord 10p sex

mbledon) PLC Ord 25p - 25 (140c94) mbledon) PLC 8% % Une Ln Stk 95/98 se PLC 6.25p(Net) Cnv Cum Red Prf 5p - 71½ 2 Efficiesorfi, M.,KTelerkonasdebologedSer BRRegISK 10 - 537,8339 \$ 61 SK399 432,768 738 3.19 ½ 4217 372 ½ 5 5 5 38 869 6½ ½ ½ 36 ¾ 77 ,775 3 ½ 7 6½ ½ 38 37 0 37 ½ 2 .779 40 40 ½ 8 1 .918 2 2

.8 1,918 2 2 Enex; and Suffolk Water PLC 10¹2% Deb Stk: 94/99 - 539¹4 (190.594) Euro Disney S.C.A. Stm EFF5 (Depository Race(pts) - 80 1 5 8 90 3 5 Euro Disney S.C.A. Stm EFF5 (81, *\$1.290 1¹6 FF8.68 .73 .74 ²4 .73 .78 .803333 .9 .9 7 .05.1 Eurotumnel PLC/Eurotumnel SA Units (1 EPLC Ord 40p & 1 ESA FR10) (Br) - FR18.8 18.94 19.02 (140c94) Eurotumnel PLC/Eurotumnel SA Units (Scorvam Inecribed) - FR16.1 .15 .163333 2 2 3 39 4 44 45 .9

Eurotunnel PLC/Eurotunnel SA Fridr Was(IEPLC & IESA WitteSub forUnite) -710 710
Ev-Lands PLC Warrants to sub for Shs - 22¹₂
3 (170c94)
Scelibur Group PLC 11.5% Cum Prf £1 107 [180c94] Exceptor Group PLC 11.5% Cum PT E1 - 107 (180cs-4)
Exploration Co PLC Ond Six Sp - 240
Finley/lames/PLC 5% Cum 2nd Pri Six E1 - 69 (140cs-4)
First Debenture Prisince PLC 11.125% Severally Grid Deb Six 2019 - £119.05 (190cs-4)
First National Building Society 11½% Perm int Bearing Sha £10000 - 599% 100 100 ½ ½ ½
First National Finance Corp PLC 7% Cnv Cum Red Pri £1 - 129 9 30
Fischer Challenge Ld Ord SN0.50 - 158 (180cs-9)

(190694) Folkes Group PLC Ord Sp - 42 (190694) Forte PLC 6.1% Uns Lri Sitk 95/2000 - 097 num 5 Mason PLC Ord Stk £1 - £86 Fortrum 5 Mason PLC Ord Six E1 - D86 (1900sb) Friendry Hotels PLC 43,% Cnv Cum Red Pri E1 - 8112 (1900sb) Friendry Hotels PLC 7% Cnv Cum Red Pri E1 - 97 (1900sb) FLC 7% Cnv Cum Red Pri E1 - 97 (1900sb) FLE 87 (1900sb) Growth Six Tumer PLC 6% 2nd Cum Pri E1 - 91 (1900sb) Growth Six DK(100 - DK(983,986) 9.556 GR-Hridesp PLC 1012% 2nd Cum Pri E1 - 90 (1700sb) FLC 1012% 2nd Cum Pri E1 - 90 (1700sb) CHAPTER STATE I UT 2% 2ND CUM PT 121 - 80 (170584)
G.T. Chile Growth Fund Ld Ord 50.01 - \$3412
35 3513 3512 3514 (190594)
General Accident PLC 72 % Cum Into Ptf £1
- 914 7 2
General Accident PLC 872 % Cum Into Ptf £1
- 1054 64
General Electric Co PLC ADR (1:1) - \$4.53
- 54 (190694)
Gestather Hidgs PLC Ord Cap 25p - 125
(190694)
Glynwed Informational PLC 73.44 Cum Ptf £1

Glynwed International PLC 73,% Cum Pri E1 - 79 (190c94)

E1 - 72 S (1800:94)

Great Portand Estates PLC 9.5% 1st Mbg
Deb Stx 2015 - 2101 2
Great Universal Stores PLC 5-2% Red Uns
Li Stx - 035
Great Batter Great De C and C LII SIK = 195 Greenalis Group PLC 8% Cum Pri £1 - 97 Greenalis Group PLC 9¹2% Ind Lina Lin Sik -2001) Mennis Group PLC 7% Cnv Subord Bds

Greenalis Group PLC 7% Chr Subord Bala 2003 (Reg) - E1032 Calantees PLC ADR (5:1) - S37 © Galantees PLC ADR (5:1) - S37 © Galantees PLC ADR (5:1) - S37 © HSSC Hidge PLC Ord S+10 (Hong Kong Reg) - S484,478365 - 1,29625 - 15 ½ 5,227 - 848 - 81895 - 821622 - 886635 90.09 - 15 2 2 ½ 3 3 3 4 55 HSSC Hidge PLC 11.69% Subord Sds 2002 (Reg) - 5103% HSSC Hidge PLC 11.69% Subord Sds 2002 (Reg) - 5103% (Br S/eri - 110%) Halffar Bulding Society 84,% Perm Int Bear-ing She 050000 - 1283, Halfar Bulding Society 12% Perm Int Bear-ing She £1 (Fieg ES0000) - £115½ ½ ¼ Halfar Holdings PLC Ord 5p - 68 Half Engineering McGeiPLC 5-55% Cum Pri

C1 - 65 Hahna PLC 11% Cum Pri S1 - 125 (190694) Hannerson PLC Ord 25p - 335 5 40 1 2 Hardys & Hansons PLC Ord 5p - 265 (140694) ertiepocis Water Co Ord Stk - £1550 (180c94) (170c94) (170c94) Hercules inc Strs of Corn Stk of NPV -\$103¹20 follows

tection Group Inc She of Cum Sti ions Group PLC 5.25% Cum Pri £1 -70 (140-054) IMI PLC 51-2% Uns Ln Stk 2001/06 - 268 IS Himalayan Fund NV Ord F10.07 - 517-23 Lostand Group PLC Crw Cum Red Pri 20p -131 8 4 2 5 6 Industrial Control Services Grp PLCOrd 10p -Industrial Control Services Grp PLCChd 10p -123 5 Indi Stock Exchange of UK&Rep of Int.d 7¹4% Mtg Deb Sak 90/95 - 1991 4 (140cs4) Irlsh Life PLC Ord Int.D.10 - 161.88 1.9 p

landine Matheson Hidge Ld Ord \$0.25 (Hong Kong Regester) - \$163.823521 4.45 .\$15394 lardine Strategic Hidgs Ld Ord \$0.06 (Hong Kong Register) - D2.36 \$129.9 .923375 30,007655 n & Firth Brown PLC 11.05% Cum Pri 17 - 93 hinson Group Cleaners PLC 7.5p (Net) Criv Curr. Red Pri 10p - 127 8 30 hinson Group Cleaners PLC 9% Curr. Pri of reston Group PLC 18% Cum Prf £1 - 90 (190c94) ud(Hidgs) PLC 10% Cum Prf £1 ines, Stroud(Hoge)
120 (18OC94)

oke Group PLC ADR (1:1) - \$2.58 Securities PLC 9% 1st Mag Dab Sek 95/ 2001 - £10012 LASMO PLC 1012% Deb Stk 2009 - £104 Lebowa Ptatutum Mines Ld Ord F0.01 - 88

PLC 6-2% Cum Prf £1 - 60 Liberty PLC 9.5% Cum Pri \$1 - 112 tier & Co PLC 5% Pr@Cum@1 - 51 (140c94) ernational Group PLC ADR (5:1) -

S69 (140054) London Securities PLC Ord 1p - 2¹2 3¹4 London PLC ADR (1:1] - \$2.14 .15 (190654) London PLC 10¹4% 1st Mig Deb Stk 97/200 MEPC PLC 0 4% 1st Mbg Deb Sik 97/2002 -£99 (190c94) MEPC PLC 8% Uns Ln Stk 2000/05 - £94 (190c94) McCarthy & Stone PLC 8.75% Cum Red Pri McCarthy & Stone PLC 7% Cov Una Ln Stk 99/04 - 267 99/04 - 267 McInemey Properties PLC "A" Ord In201.10 -100.06 (140cs4) Marks & Spencer PLC ADR (6:1] - \$41.3

Medeva PLC ADR (4:1] = \$10¹2 Menzies(John) PLC 8% Cum Prf £1 = 98 Mercateo John PLC 8% Cum Prf 21 - 98 (1900-94) Merchant Group PLC 8% Criv Uns Lin Sit 98/04 - 980 Mercary International Inv Trust Ld Ptg Red Prf 1p (Reserve Fund) - 250,48,4881 (1700-94) Mercary Docks & Herbour Co 8% % Red Deb Sit 98/99 - 253 (1700-94) Mercary Docks & Herbour Co 3% % Ind Deb Sit - 234 Midland Bank PLC 14% Subord Uns Lin Sit 2002/07 - 2122, (1800-94) 2002/07 - C122\}_{\text{(180c84)}} \text{ Mittel Corporation Corn Sits of NPV - £2\}_{\text{(140c84)}} \text{ More O'Ferral PLC 10% 2nd Curn Pri St - 120 (180c84)} \text{ Markstow(A.8. J)Group PLC 7% Curn Pri St - 180c84

NEC Finance PLC 105/16 Deb Stk 2018 -£1 1413 (190c94) 인 14월 (1900년) NEC Finance PLC 135% Deb Stk 2018 = 1141 및 2월 (1900년) NEC PLC 73% Cav Bde 2007(Fing) - 18812 91₂ 1₄ Nettonal Medical Enterprises Inc Sha of Cum

912 14
Netional Medical Enterprises Inc Sts of Cum
Sik SUJS - \$14/2
National Power PLC ADR (10:1) - \$78/2
National Power PLC ADR (10:1) - \$78/2
National Power PLC ADR (10:1) - \$78/2
National Westminister Bank PLC 19% NonCum Stig Prf Sens "A" E1 - 103/4 ½ ½
National Westminister Bank PLC 12/2%
Subord Unis Lin Sik 2004 - £118/2
(190:59)
New Burstwick Relievay Co Perp 4% Come
Deb Stiglini Girl by C.P.) - £38 (190:54)
New Burstwick Relievay Co Perp 4% Come
Deb Stiglini Girl by C.P.) - £38 (190:64)
Newsanis Building Society 12/2% Perm
Interest Bearing Shs £1000 - £118/4 6
North Housing Association Ld 8/4% Gid Lin
Sik 2007 - £26/2 ½ ½
Northern Foods PLC 6/4% Cnv Subord Bds
2006 (Feg) - £87/2 ½
Northern Foods PLC 6/4% Cnv Subord Bds
2006 (Feg) - £87/2 ½
Northern Foods PLC 6/4% Cnv Subord Bds
2006 (Feg) - £87/2 ½
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Northern Foods PLC 6/4% Cnv Subord Bds
2006 (Feg) - £87/2 ½
Northern Foods PLC 6/4 %
Norther

Peter Peter

PEX careup PLC 3.5% Cum Pri C1 - 2s (170c94) Pittards PLC 91₂% Cum Pri C1 - 87 (140c94) Pittards PLC 91₂% Cum Pri C1 - 80 (170c94) Polyphard (0.7) Co Lot Shis \$0.06 (Hong Rogal Rong Polyphard (0.7) Co Lot Shis \$0.06 (Hong Rogal Rong Polyphard (1.01) Pittar (180c94) Portsmouth Water PLC 1051% Red Deb Stit 1996 - E103 (190c94) Polipharesust Platinums Ld Ord R0.025 - 590 Powell Duffyra PLC 41₆% Cum Pri S0p - 24 (180c94) (180c94)
PowerGan PLC ADR (10:1) - \$90.66 81
Premiter Health Group PLC Ord 1p - 1½ 2
Pressoc Holdings PLC 10.5% Cum Pri £1 1100

Pressac Holdings PLC 10-5% Curr Pri 12 2
Pressac Holdings PLC 10-5% Curr Pri 12 1-100
Prudential Currency Fund Ld Ptg "C" Red Pri 19 - 224.2 (180-69)
Quarto Group ino 8,75g/Net) CnvCurrRedShis of Pri 58x 50.10 - 150 (170-69)
Quarto Group Inc 10% Curr Pri 21 - 117 (140-69)
Quarto Group PLC 10% Curr Pri 21 - 117 (140-69)
REA-Hadgs PLC 8% Curr Pri 21 - 85
RPH Ld 49% Urss Ln Sik 200409 - 233
RPH Ld 9% Urss Ln Sik 99/2004 - 233
RTZ Cerporation PLC 3,325% "B" Curr Pri 21 - 48 (140-69)
RTZ Cerporation PLC 3,325% "B" Curr Pri 21 - 48 (140-69)
RTZ Cerporation PLC ADR (2-1) - 57,44
Rank Organisation PLC ADR (2-1) - 59,2
(170-69)
Red International PLC ADR (2-1) - 59,2
(170-69)
Red International PLC 4,5% (Pmty 7%) Curr Pri 21 - 71 (180-69)
Red Pri 27 - 1180-694
Resold PLC 6% Curr Pri 58x 21 - 56
Resold PLC 6% Curr Pri 58x 21 - 56
Resold PLC 6% Curr Pri 58x 21 - 56
Resold PLC 6% Curr Pri 58x 21 - 56
Resold PLC 6% Curr Pri 58x 21 - 56
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Resold PLC 6% Curr Pri 58x 21 - 56
Resold PLC 6% Curr Pri 58x 21 - 57
Resold PLC 6% Curr Pri 58x 21 - 57
Resold PLC 6% Urs Ln Six 50/98 - 286 (190-694)
Rotis-Royce Power Engineering PLC 11%
Curr Pri 51 - 101 (190-694)
Rotis-Royce Power Engineering PLC 11%
Curr Pri 110 - 101 (190-694)
Rotis-Royce Power Engineering PLC 11%
Curr Pri 1 - 101 (190-694)
Rotis-Royce Power Engineering PLC 11%
Curr Pri 1 - 101 (190-694)
Rotis-Royce Power Engineering PLC 11%
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Rotis-Royce Power Engineering PLC 11%
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Rotis-Royce Power Engineering PLC 11%
Curr Pri 51 - 101 (190-694)
Rotis-Royce Power Engineering PL

acottish & Newcastle PLC 8.425% Gum Pri £1 - 05 (170c94) z.) - us (1/Oc94) Soutish & Newcessle PLC 7% Crw Cum Pri Cl- 2226 hell Transport&TradingCo PLC Ord Shs (9r) 25p (Cpn 193) - 725 5 (140C64) hell Transport&TradingCo PLC Ord Shs (9r)

Shell Transports Tracing to PLC 55/% 1st PrifCardy 1 - 80 (1905/4) Sheld Group PLC Ord 5p - 61/19064 Sheld Group PLC Ord 5p - 61/19064 Shopthe Transon (Ling PLC 7.875p(Net) Cum Red Pri Sts 2009 - 22¹/₂ Sidase Group PLC 7.875p(Net) Cum Stew Group PLC 712% Uns Ln Stk 2003/08 - 281 (18Ocs4) - 551 (100/CSP) Simon Engineering PLC 7.75% Cum Red Pri 82/97 ET - 85 (130/CSP) 800 Group PLC 11% Uns Ln Sik 92/97 - 239 (180/CSP)

(180694) Sighton Building Society 127/9 Perm Int Bearing Sha E1000 - E118/4 9 1/8 Smith New Court PLC 1295 Subord Lins Ln Sid. 2001 - E102 (19069) Smith (W.H.) Group PLC 51/4% Red Uns Ln Six - E33 (190694) ost + 125 (19054) SmithNine Beechsen PLC ADR (5:1) -(20,5462¢ \$ 33,52¢ 53¢ SmithNine Beechsen PLC/SmithNine ADR (5:1) - 530 4 % 1 Stag Furnhure Hidge PLC 11% Curn Pri £1 -97

97
Standard Chartered PLC 127g% Subord Uns
Ln Std 2002/07 - £1137ub
Stavert Zigolmela PLC Ord Std 20p - £7.35¢
Swanjichn) & Sons PLC Ord 25p - 420
Swinzilotre & Sons Ld 6.3% Cum Pri £1 73f2 [190:34] Symonds Engineering PLC Oct 5p - 31 (190c94) TSB Gitt Fund Ld Ptg Red Ptf 1p(Class*A* Ptg Red Ptf) - 103.33 (180c94) TSB Group PLC 105g % Subord Ln Stk 2008

- £197.4. 2 TSB Offshore Inv Fund Ld Ptg Rad Prf 1pfEuropean Class) - 180.946 Prf TSB Offshore Inv Fund Ld Ptg Rad Prf 1ptFar Eastert Class4 - 248.37 Tate & Lyle PLC ADR (4:1) - £17.2814 (180.596) (180c94)
Tate & Lyte PLC 6¹2% (4.55% plus tax creditions Pri 2 - 68 (170c94)
Tate & Lyte PLC 8% Uns Lrt Stk 2003/08 -Tesco PLC ADR (1:1) - \$3.7

원인생 Mai investment Fund Ld Ptg Red Ptd \$0.01 -THORN EMI PLC ADR (1:1) - \$18.2 (190c94) Tope Estates PLC Was to sub for Ord - 20 (190c94) ratalger House PLC 5% Una Ln Stk 94/99 -£89 (190c94) Los (1906)
Tradiger House PLC 9¹2% Uns Ln Stk 2000/
05 - 250 (1906)
Permatismic Holdings PLC B 8% Cnv Pri C1
- 91 2 (1906)
Transport Transfer

ransport Development Group PLC 81/1% Una Ln Stk 93/98 - £95 (170c94) Uns Ln Stk 93/98 - £95 (170c94) Unigete PLC ADR (1:1) - \$5,69 (190c94) Unigete PLC 6¹2% Uns Ln Stk 91/96 - £94 (140cs4)
Lindever PLC ADR (4:1) - \$74½ (180cs4)
Union international Co PLC 8% Cum Pri Site
C1 - 39 (190cs9)
Union international Co PLC 7% Cum Pri Site
C1 - 45 (180cs9)
Unisys Corp Cum Site \$0.01 - \$107a
Unitsys Corp Cum Site \$0.01 - \$107a
Units of Kingdom Property Co PLC \$476
Units of Plantations Africa Ld Ord R0.50 On 18 0.15

100.18 0.19

**Walks & Income Trust PLC Warrants 89/94 to
sub for Ord - 48 (140c94)

**Warr Group PLC 9,875% Deb Stx 2015 \$105½ (180c94)

**January Carup PLC 10,75% Deb Stx 2019 \$1132.3 ers PLC 5% ProNon-Cumistic £1 - 43 ra PLC 5% Cum(Tax Free To 30p)Prt

Victoria PLC 5% Camillax Free To 30p)Prt 5tk £1 - 62 (190e94) Vodafone Group PLC ADR(10:1) - 532 k 3 k k ,36 ,373888 k 2 k ,498863 k Wagon Industrial Holgs PLC 7-25p (Net) Crov Pig Prt 10p - 143 (180e94) Walter(Thornas) PLC Ord 5p - 27 Wartung (S.G.) Group PLC 75g% Cum Prt £1 - 6812

Melicome PLC ADR (1:1) - 26.63 \$ 10,7396 its Farge & Company Sha of Cum Sak \$5 Vinitaread PLG 412% 1st Cum Prf Stk E1 -52 (170c94) 52 (170094)
Whitement PLC 7% and Cum Pri Sik £1 - 70
Whitement PLC 7% & Uns Ln Sik 96/99 - 231
¼ ½ 3¼ (180094)
Whitement PLC 7¼% Uns Ln Sik 98/2000 - 234 (140094) Vincoreed PLC 9% Une Lri Six 97/2001 -£89³2 (190c94) Whiterest PLC 101₂% Una Ln Str 2000/05 - £7051₂ Vintecroit PLC 5.1% Cum Pri £1 - 64 (190c94)

//#is Coroon Group PLC ADR (5:1) -£12.35∯ Viresham Water PLC 3½% Cone Deb Stk - £35 (180694)
Yorkscham Water PLC 3½% Cone Deb Stk - £35 (180694)
Yorkschire-Tyne Tees TV Hidgs PLC Wis to sub for Ord - 227 30
Young & Co's Brewery PLC 8% Cum Pri £1 - 105 (180694) 105 (1800)44 Yule Catto & Co PLC 1112% Cum Red Pri 1998/2003 £1 - 105 (1400)4 Zambia Consolidated Copper Mines Ld*B* Ord K10 - 200

Investment Trusts Investment Trusts

Baille Giford Japan Trust PLC Was to Sub
Ord She - 100 (180-694)

Baille Giford Shin Nippon PLC Warrants to
such for Ord - 125 (140-24)

Baille Giford Shin Nippon PLC Warrants to
such for Ord 2005 - 76 (170-694)

Barriors Hwestment Trust PLC 4% Parp Deb
Str - £40 (170-694)

Barriors Hwestment Trust PLC Was to
such for Ord - 22 (190-694)

British Assets Trust PLC Equities Index ULS
2003 109 - 1560

British Empire Sec & General Trust 10³/₃%
Deb Sit 2011 - £1055 (180-694)

Capital Gearing Trust PLC Ord 25p - 457 65
(180-694)

Camerine Korea Emerging Growth FundShs

Semente Korea Emerging Growth FundShs \$10 (Reg Luo) - \$13 2 (170c94) nt Trust PLC Was to Sub-Danus Investment Trust PLC Wits to Sub-scribe for 1 Inc & 1 Cap - 50 Drayton English & Int Trust PLC 3.85% (Fmly 5½% Cum Pt Ct - 55 (1806%) Finsbury Smalter Co's Trust PLC Zero Div Pri 250 - 176½ 9

25p - 1782 9

Remany Cavernouse Inv Trust PLC 11% Deb Sit 2008 - E112 | 8

Remany Mercantle Inv Trust PLC 41, % Perp Deb Sit, - E412 (1705-94)

Gartmore Sritish Inc & Grith Tst PLCZero Dividend Pri 10p - 1002 1

Gartmore Shered Equaty Trust PLC Gaared Ord Inc 10p - 101 4

Govett Oriental Inv Trust PLC 5% Cum Pri Sit, - C49

HTR Linguistee Smaller Co's Trust PLC Co-Stt. - C49

HTR Japanese Smaller Co's Trust PLCOrd

25p - 101 1₂ 21₂ .55 3 3

Investors Capital Trust PLC 51₄% Cum Pri

Stt. - E54 (170c94)

H Redgeling Japan Ld Warrants to sub for
Ord - 51

azero Select Investment Trust Ld Ptg Red Pri 0.1p U.K. Active Fund - £14 14.04 [140094]
Lazard Select Investment Trust Ltd Ptg Red
Ptf 0.1p U.K. Liquid Assets Fixed - £100
London & St Lawrence Investment PLCOrd
5p - 153 (170c94) ferchants Trust PLC 3.85% Cum Pri Sik £1 -52 (190c94) enfetiLatinAmerCo's Tet PLCWis to MorganGrenfell.atur sub for Ord - 60 New Throgmorton Trust(1983) PLC 12.6% Deb Stk 2008 - £120

Northern Indust Improv Trust PLC Ord £1 -S00
Paribas Franch Investment Trust PLCSers
"B" Warrantes to auto for Ord - 19
Rights and issues Inv Trust PLC \$1₂% Cum
Prf CI - 80 ish Eastern kny Trust PLC 412% Cum Scottish Eastern For 1984 - Pri Sk. - £48 (170694) Scottish Eastern Inv Trust PLC 94,% Oeb St. 2020 - £105¹2 (170694) Scottish Investment Trust PLC 3.5% Curn
Ptd Sth - CSO (170c94)
Scottish Investment Trust PLC 434% Porp
Deb Stic - 54212 (140c94)
Scottish National Trust PLC 10% Deb Sth
2011 - C104 (170c94)
Sphere treestment Trust PLC Revised Warrants to sub for Ord - 412
IR City of London Trust PLC 1014% Deb Stic
2020 - C10912 1170c94)
Temple Bor Investment Trust PLC 7% Curn
Prf Stic 21 - 73 Wigmore Property Investment Tot PLCWto to Sub for Ord - 28 9 Witan Investment Co PLC 8% Deb Stk 90/89 - C96 (170c94)

ment Co PLC 512% Data Stk Miscellaneous Warrants

USM Appendix

BLP Group PLC 8p (Net) Criv Cum Red Prf 10p - 85 (14Ocs4) hiota Group PLC Ord in20.25 - 150.21 (190c94) (190c94) Bidge PLC Ord 10p - 330 Gbbs Mew PLC Ord 25p - 447 57

Rule 4.2(a)

Adnams & Co PLC "B" Ord £1 - £27 Advanced Media Systems PLC Ord £1 - £1½ 1.51 (1906.94) African Gold PLC Ord 1p - £0.0325 nos vistage Ld Ord 10p - 2003 (180c34) senai Football Club PLC Ord 21 - 2475

roleys investment Fund(C.I.) Sterling Bd Fd - 00.428 (170c94) 21.65 1.7 (180c94) bial Group PLC Ord 1p - 20.09

Blson Industrial Group P.C. Ord 1p - 20.09
Brancote Holdings P.C. Ord 5p - 20.42 0.48
(170c94)
Brockbank Group P.C. Ord 10p - 52
(170c94)
Calimate P.C. Ord 5p - 20.0925 (140c94)
Calimate P.C. Ord 1p - 50.1 0.105
Channel Islands Come (TV) Ld Ord 5p - 20.55
0.55 Charleso/Chartshare Charleso Distr - £1.654

(170c94)
D.B.S.Monagement PLC Ord 10p - \$2.95\(\phi\)
D.B.S.Monagement PLC Ord 10p - \$2.95\(\phi\)
Dawson Hidgs PLC Ord 10p - \$5.05 5.1
De Gruchy (Abreham) Co Ltd Ord 20p - \$1.18 (190c94)
Ellot (8), PLC 7.5% (Net) Chiv Cum Red Pri \$1 - \$1.15 (190c94)
English Churches Housing Group Ld \$1\frac{1}{2}\% Ln Sit. - \$12 (170c94)
Exchem PLC Ord 50p - \$2.1 (180c94)
Faycast Broadcast Corporation PLC Ord 5p - \$0.55 0.565
Formscan International Group PLC Ord 1n -

IT'S Group PLC Ond £1 - £0.4 (14Oc94) Jennings Bros Ld Ord 25p = £2

C13,930

Notineer Bersenjini) Fund Man int Equily
Gwith Inc 12 86755 (170284)

Lancachure Enterprises PLC Ord 56 - 51 7

Lowence PLC Ord 10p - 51.7 (1906/4)

Le Riche's Stores Ld Ord \$1 - 52 55 (1806-4)

Leksantine lines PLC Ord 56 - 55 56 1680-591

Michael & Scotish Resources P.C. Crd 109 -2 (180-34) Reflex Group P.C. Ord Irtin.05 - 28 (190-54) Total Systems P.C. Ord 5p - 35 United Energy P.C. Wits to sub for Ord - 3 (190-54)

Shephard Noame 1d "A" Old 21 - 18.4 South Green Hidgs PLC Crd 1p - 20.01 0.0125 (180c94) Southern Newspapers PLC Old 21 - 04.41 Southern Nexts PLC Old 10p - 20140 Thispines (Dunel)8 Co PLC Old 25p - 02.7 Triaghur PLC Ord Sp - 00.075 0 035 0 095 treental Football Cuto PLC Grd E1 - LAVA (190099) lecot Hidge PLC Var Rate Cnv Cum Red Pri 100 - 00.025 (170094) Assured Cum Centres PLC Ord 50p - 00.53 0.545 (180094) Asten Ville Football Cuto PLC Ord 55(1 vote) - 010 (190094) - 2010 (190094) - 2010 (190094) - 2010 PLC New Ord 10p(Nil Pd-2871094) - 00.005 (140094) Terretare Investment FundSJJ Sterling Bd Fd VDC PLC Ord C1 · £3.0 | 180cg>4 Visia Entertairments PLC Ord Sp - £0.00 Wadworth & Co 10% Cum Prf £1 · £1.05 Warburg Asset Management Jerbuy Murcury int Gold & General Fd - SC 00 Wedderburn Securities PLC Ord 5p - £0 14 (170684) (17069-1)
Weetablix Ld "A" Non.V Ord 25p - £191₂
Winchestar Multi Modia PLC Ord 5p - 00.59
Wynnstay Proportius PLC 25p - £11₄

10.55 0.565
Formscan International Group PLC Ord 1p = 10.45 (170-054)
Francistown Min3ExtJersey)Ld Ord 50.01 - 52½ (190-054)
Gale (George & Co Ld Ord 51 - 56¾
Gander Holdings PLC Ord 1p - 50.07
Guerrsey Gas Light Co Ld Ord 10p - 51.05
Guerrsey Press Co Ld Ord 10p - 51.9 1.93
(170-054)
Hydro Hotel Eastbourne PLC Ord 51 - \$4.85
(180-054)

ch0| Res 10(| 7.10) Developments \$\$8 70(17.10) Dainlegen Screen Man Y794.0(19.10) Dentey ASD.681(14.10) Gen Soco Inv \$\$1.95224(17.10) Goldrim Mining Aust. 25(17,1)

Bank East Asia HS331504 100

Just Group PLC Ont. 1p - 60,0305

Leburotano Iros PLC Ora Sp. 20.07 0 U)
Liverpool FC S Amietic Grounds PLCOru CS - 2550 (1707-94)

CSS0 170/-841
London Fiduciary Trant PLC Out 1p - 2010/5
Maris 6 Oversons PLC Out 5p - 20 0725
[140-24]
Marine 6 Mercanitio Securities PLC Out 1/20 0 - 21.35
N.W F. Ld Out 21 - 28 [190-254]
National Parking Corp Ld Out 10p - 251/2 6
[180-24]

(Dc94) |Med&1 PLC_Ord 5p - £0 5075 U.S1 0 50

Hadil Club PLC Ond 10p - 10 05

0.505 (170094)
Pacific Media FLC Ord 1p - 25, 3, Pan Andean Resources FLC Ord 1p 00.0525 (170084)

Perpensif Jurseyi Orlehoro Emerging t"c's \$6,9843 (140c94)

Perponusidoranyi Orishoro I W. Growth -\$1,0266 (170cHz) Pangers-Football Club PLC Ord 10p - 10 (190c94)

Severn Valley Rashway(Hidge)PLC Ord C1 C04 (170c54)

nerd Neame 1d "A" Ord \$1 - 68.5

ter Network PLC Ord E1 - E10-2 10-2

Young Group PLC Ord 10p - \$3.55 [180c94] Young Group PLC Ord 10p - \$0.025 (180c94)

RULE 2.1 (a)(v) HULE 2.1 (a)(v)
Bargains marked in securities (not talking within Rule 2.1 (a)(i)) where the pricipal market is outside the UK and Republic of Ireland.

med PLC Ord VEO.25 - E1 61

(190694)
chroder Manugement Services(Guern)Schro
der European Bend - 20,777935

a Industries PLC New Ord 71-p (50 Pd)

ar wea

Harama Nth Wat 1812,A\$0,367(17,10) funtor Resources A\$0,525(14.10) Maloyan Cement RM4.391896,4.414088(17.10) Nat Electronics Hidgs 4,5(18.10) Ath Funders Mines 385(14.10) Od Sourch 42 0(20.10) Regal Hotel Hidgs 5(19.10) nute MS5.576(19.10)

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LONDON STOCK EXCHANGE

MARKET REPORT

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Dollar weakness takes toll of blue chip stocks

By Terry Byland, UK Stock Market Editor

Concern over the US dollar dominated the London stock market yesterday, as City analysts began to count the cost to profits of British companies of the latest slide in the US currency. Developments closer to home, including the latest UK gross domestic product numbers and the increase in M3 money supply figures for Germany, while not elpful, were pushed to one side.

A further setback was suffered when US bond yield moved above 8 per cent in early trading yesterday. However, trading volume was not heavy and the shares rallied quickly in London when Federal bonds steadied late in the UK trad-

The worst of the day saw the TRADING VOLUME

FT-SE 100 Share Index fall 46.8 to around one fifth of aggregate profits within 17 points of 3,000. The rally towards the close took the FT-SE are in dollar form, and would be hit ther weakness in German bonds. 100 Index to 3,032.8 for a net loss on the session of 30.4.

Marketmakers were quicker yesterday to mark down share prices across the full range of the market. The FT-SE Mid 250 Index, which had performed better than the FT-SE 100 Index earlier in the week, dropped by 22.5 points to 3,502.4. Business in non-Footsie stocks increased to make up around 62 per cent of the day's total. Private investors, who favour Mid 250 stocks, have backed away from buy-

ing in London this week but appeared to turn sellers yesterday. The UK stock market has fallen by around 2.4 per cent this week, largely in response to the dollar's setback. City analysts calculate that

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merely by translation into sterling.

In addition, some analysts stress the danger that the US Federal Reserve may be forced to protect the dollar by raising key interest rates. The sharp jump in its busi-ness index disclosed on Thursday by the Federal Bank of Philadelphia appeared to signal serious inflationary pressures and has focused attention on the statistics on third quarter US GDP due next Friday. Any rise in rates in the US would increase pressure for similar moves

in Europe.
The fall overnight in both the US currency and bond prices hit British government bonds at the opening. Gilts eased afresh when a gain of 7.7 per cent in German M3 money

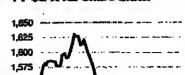
The 0.7 per cent rise in UK CDP was not far from forecasts but tended to for the day of 516.2m shares, some 9 confirm views that recovery in the domestic economy might be soften-

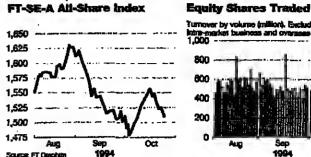
Long-dated UK government bonds extended early losses to show falls ranging to around %, with the shorts also easier. By the close of trading when London was responding to a rally in US markets, losses in UK long gilts had been trimmed to a, with the shorts % off.

Equity business was slow to develop vesterday morning, and the opening fall of nearly 14 points on the Footsie reflected marking down operations rather than selling presinvariably prompted by sudden attracting havers.

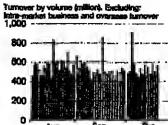
plunges in the stock index futures. This in turn prompted deals in the underlying equities and Seaq volame increased to show a final total per cent up on the previous session The London market was subdued

at the close when dealers admitted that the near-term outlook for UK equities now depends on the dollar. Suggestions that the Federal Reserve might have intervened to help the US currency yesterday afternoon were left unconfirmed in UK stock market bours. City analysts have begun to identify London stocks where profits are thought to be vulnerable to further weakness in the dollar. There have also been signs that investors are moving sure. Further falls in the Index were stocks, with the UK banking sector





3502.4	-22.5
1524.6	-14.1
1512.29	-13.29
3.97	(3.94)
2333.7	-22.5
18.60	(18.74)
3042.0	-31.0
8.73	(8.73)
2.21	(2.22)
	1524.6 1512.29 3.97 2333.7 18.60 3042.0 8.73



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nd ratios			FT-SE 100 Index
250	3502.4	-22.5	Closing index for Oct 21 3032.8
0	1524.6	-14.1	Change over week73.9
-Shara	1512.29	-13.29	Oct 20 3063.2
-Share yield	3.97	(3.94)	Oct 16 3060.6
Index	2333.7	-22.5	Oct 18 3085.3
on Fins p/e	18.60	(18.74)	Oct 17 3120.2
Fut Dec	3042.0	-31.0	High*3132.7
eld	8.73	(8.73)	Low3016.4
ulty yld ratio:	2.21	(2.22)	"Intra-day high and low for week

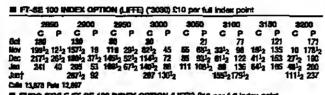
EQUITY FUTURES AND OPTIONS TRADING M Major Stocks Yesterday Stock index futures had e opened, it had been 55 points Vol. Cineing Day's 000e price change volatile session, moving steepty lower on US rate rise At the close the contract's 132 194 428 1132 194 428 1132 194 428 1132 194 428 1137 198 1137 188 188 188 188 188 188 188 188 188 1 Londo Lican MEPC† MET MET MET Metinal Metinal Morieon (Wen.) MEC Morieon (Wen.) rumours but closing above the premium to cash was 10 day's low, writes Jeffrey points and fair value premium 442444444444444444444 around 18 points. The FT-SE 100 December Trading volume rose to 13,340 contracts from 10,119.

contract was 3,042 at the official close, down 31 points. Just before Wall Street

Traded options turnover was 48,168 lots, against 39,643.

	Open	Sett price	Change	High	Low	Est. voi	Open int
Dec	3058.0	3042.0	-31.6	3061.D	301&0	14063	64170
Mar	3078.0	3064.0	-31.5	3078.0	3078.0	30	3757
FT-S	E MOD 250 IN	DEX FUTUR		210 per 1			_

IN FT-SE MED 250 BRDEX FUTURES (OMLX) \$10 per full Index point. 3505.0



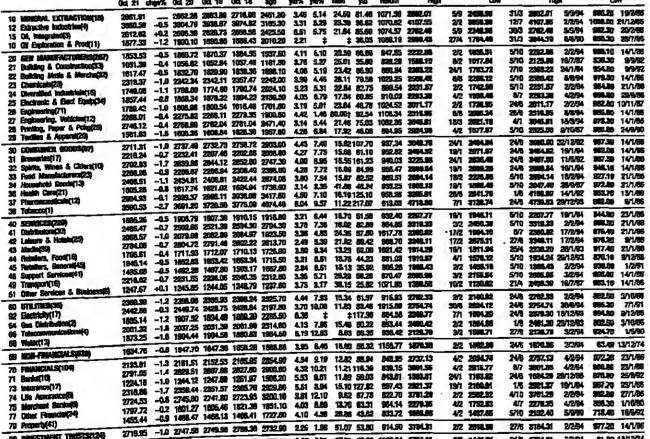
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Printing Paper & Poly +5.43	Promocoutists6.11 .	Perhalters, General
Editacing Industries +4.43	Man-Prospekts	Ule Appressor
(M. bilaycated +3.89	Con Manufactures	Toward
Mineral Extraction +3.84	Heater Care	Household Goeda15.89
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Dividend hint in utilities

East Midlands Electricity put on one of the best performances in a strong sector as speculation swept the market late in the day that the company might be poised to announce e massive special dividend payment to share-

The rumour circulating mong dealers was that East Midlands would on Monday reveal e one-off payment of 85p a share. This would be e way of avoiding the restrictive legislation surrounding a possible

share buy-back scheme.
All the regional electricity companies (Recs) received permission to buy back up to 10 per cent of their shares. However three companies - East Midlands, Southern and Yorkshire - have so far now bought back any shares. The Recs have now entered their pre-results closed seasons which means that neither the company nor its directors may deal in shares until the results are made public. East Midlands shares rose 8 to 711p.

BP outperforms

UK oil major BP was one of the few firm features in the FT-SE 100 list as some of the larger securities houses stressed their enthusiasm for the stock ahead of third-quarter figures at the beginning of traded. November. NatWest Securities, a long-

time supporter of the stock, published e sizeable review of the company and pointed out that the shares had underperformed the FT-SE-A All-Share Index by 5 per cent since the start of the month. The house said the recent slide in the dollar had been more than offset by the rise in the oil price. It added that the third-quarter figures should reflect a rise of 13 per cent on the previous year's equivalent period compared to falls of around 9 per cent in US rivals. Meanwhile, Smith New Court argued that the recent

divergence between the UK and US oil sectors was easily

NEW HIGHS AND LOWS FOR 1994

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explained by specific factors and that BP still represented good value. The shares ended the day 5 up at 408p with 5.7m

Partel, Shoprite, HETAZLERS, CENERAL 60 Blacks Lahars, Martries LD, SUPPORT SERV

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Welsh Water ease

Expectations that Welsb Water would spend its £180m cash pile on bnying back shares were doused yesterday and the shares led the sector down ahead of the sector's interim reporting season which begins next week.

Welsb held a meeting for industry analysts in which it announced that it hoped to set up a fund for infrastructure investment in Asia. It also talked of using its cash pile to expand in the UK and into Czechoslovakia.

This was e hlow to analysts who had speculated that it might follow the buy-back path

of the Recs. Welsb shares fell 18 to 635p while North West dropped 14 to 547p and Severn

Trent 12 to 560p and Thames 5 HEW HIGHE [15] DISTRIBUTIONS (S) Pinelin, Ideal Hardware, REA, BLECTRING & BLECT BOUP (1) Packers BNO, VEHICLES (1) Airliow Streamlines, EXTRACTIVE NOS (4) Distortion, Gencor, High Street clearing bank Barclays performed strongly as NatWest Securities upgraded its recommendation and Yam-aichi published a very bullish

note on the sector. NatWest moved its stance to 'add' from 'hold' arguing that worries over its securities arm BZW were overdone. It added that Barclays had the strongest dividend paying capacity in the sector and a share buy-hack was a possibility.

Also, Yamaichi cited Barclays as one of its core buys in a sector which the Japanese securities bouse believes has more room to rise. The shares gained 2 to 572p.

Elsewhere, Standard Char-tered rose 2 to 279p with dealers saying it had had e meeting with one leading UK marketmaker. And tightly traded merchant hank Schroders improved 8 to 1363p with investors said to have been switch ing from the non-voting shares. Transport shares were

mixed. Eurotunnel recovered 10 to 209p but British Alrways slipped 5 to 375p ahead of Mon day's third-quarter results from USAir. American Airlines managed bumper results this week but USAir, which is 25 per cent owned by BA, is thought by analysis to be far less cushioned against North American competition.

Coats Viyella , the UK's leading textile stock, fell 7 to to 197p after S.G. Warburg cut its 1994 profit forecast.

Cashmere jumper company of the most beavily trade stocks in London with the overall turnover of 7.2m shares represented a single deal carried out at 138p a share, early in the morning. There was some suggestion that PDFM, the fund manger might have been involved, but other dealers suggested it could have represented the second half of a tax-related "bed and breakfast" deal. Dawson closed unchanged at 139p.

Leading pharmaceuticals groups were buoyed by US huying hut Zeneca was the only net gainer on the day. The shares rose 4 to 841p ahead of a third-quarter trading state E CHIEF PRICE CHANGES YESTERDAY London (Pence)

132 + 4 30 + 3 Azlan Delyn **Eurotunnel Uts** Needler + 10 Northern Elect 772 + 15+ 22 Seafield Res 67 + 5

29¼ - 2¼ 200 - 8½ Babcock Int Bank of Scotland Borland Int 650 - 100 Brit Aerospace 470 - 10 Danka Business 287 - 7 Grand Mel Hampson Inds Hazlewood Foods 122 -High-Point North West Water 547 - 14 515 - 11

The brewers put most of their takeover hopes to one side, moving down smartly in line with market in negligible

Greene King put on 2 to 531p as rumours of impending top management changes gained ground.

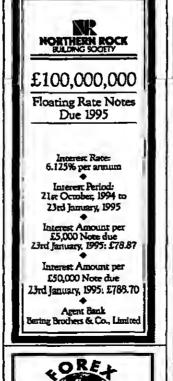
Elsewhere in the drinks sector the story was one of dollar led weakness for groups with big overseas earnings. Grand-Met fell 11 to 404p and Allied Domecq tumbled 13 to 576p.

Hazlewood Foods lost 6 to 122p as substantial line of stock hung over the market. Dealers said attempts to place up to 5m shares had not been

Iceland recovered strongly on news that it plans to repur-Dawson International was one chase 10 per cent of its equity. The shares moved up from 166p to close I lower at 169p.

Activity in Babcock International totalled a massive 16m shares following the company's move to link up with a consor-tium set to bid for the entire Ministry of Defence site at Rosyth in Scotland. Babcock dipped 2% to 29%p while Forth Ports, also in the consortium. held steady at 445p. Vickers gained 1% to 172p for

a two-day rise of more than 5 per cent as market sentiment towards the huxury car market shrugged off the recent weakness of the dollar and swung npwards on the heck of improving US sales of Rolls-Royce cars.



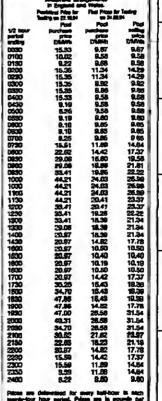


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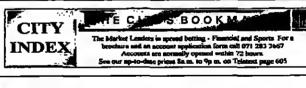
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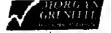
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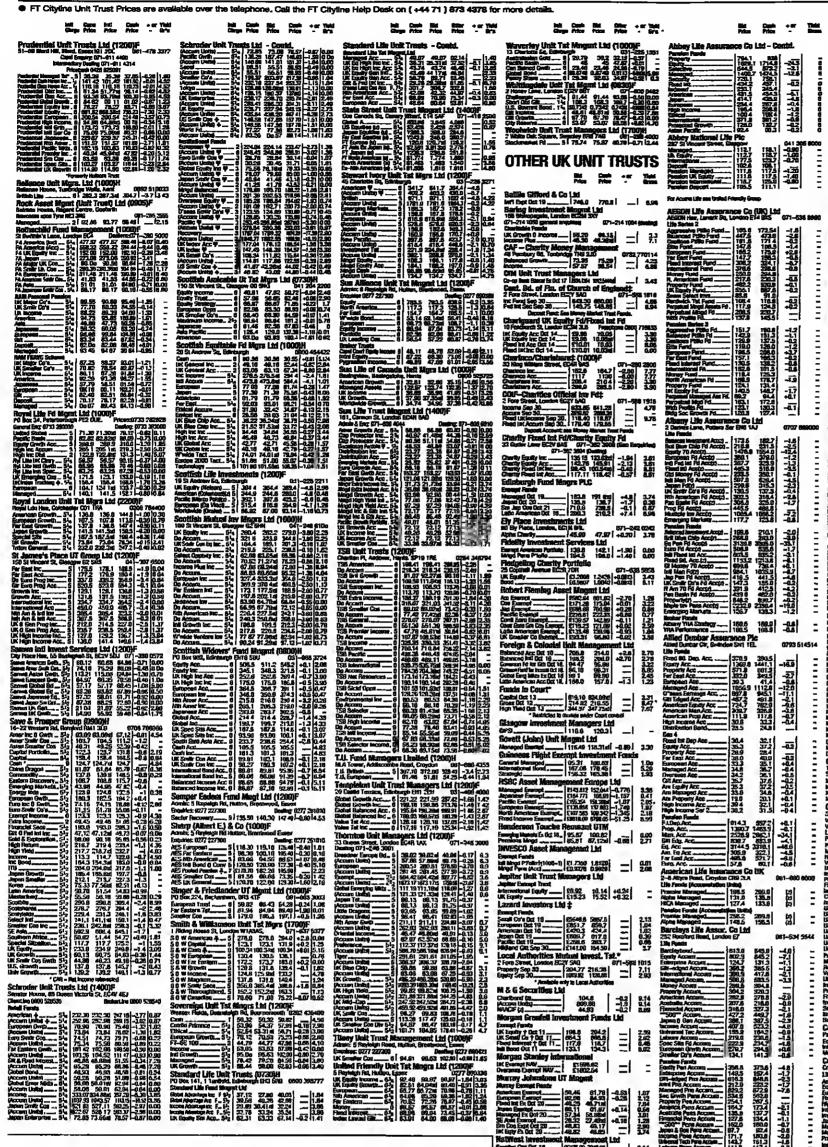
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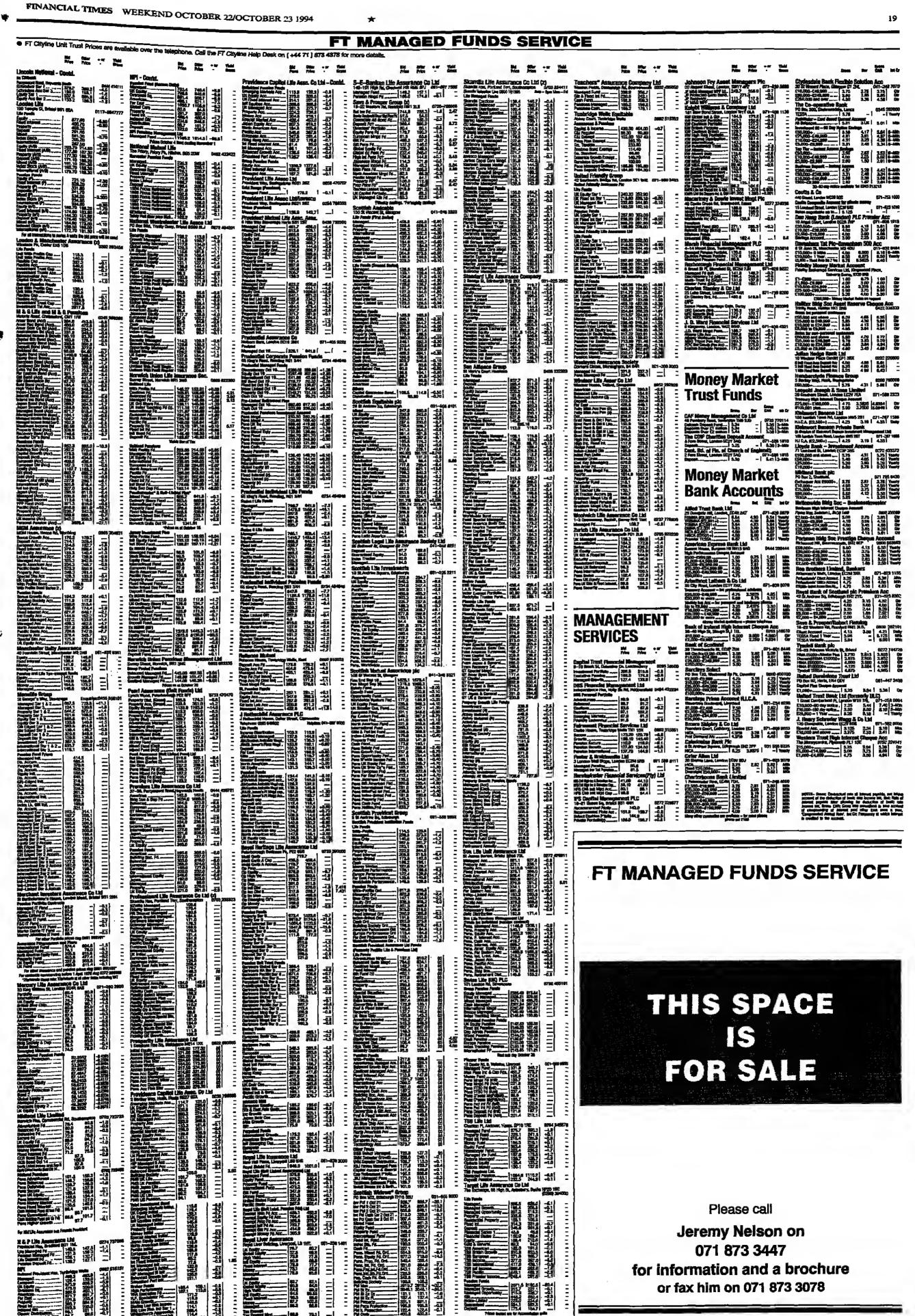
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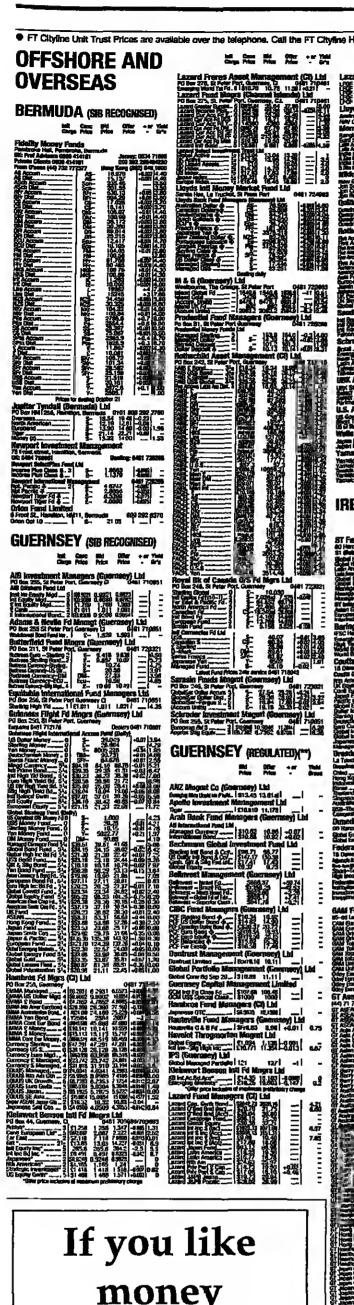


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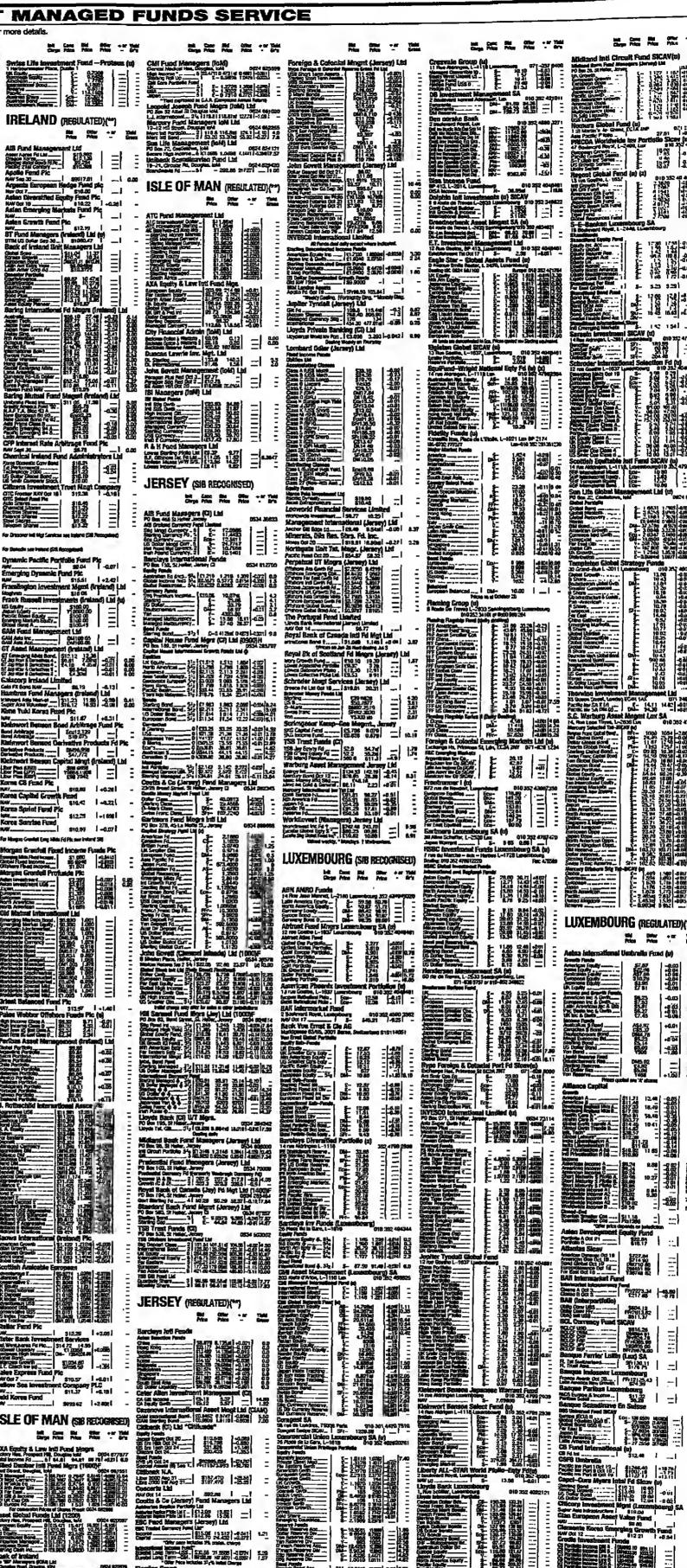
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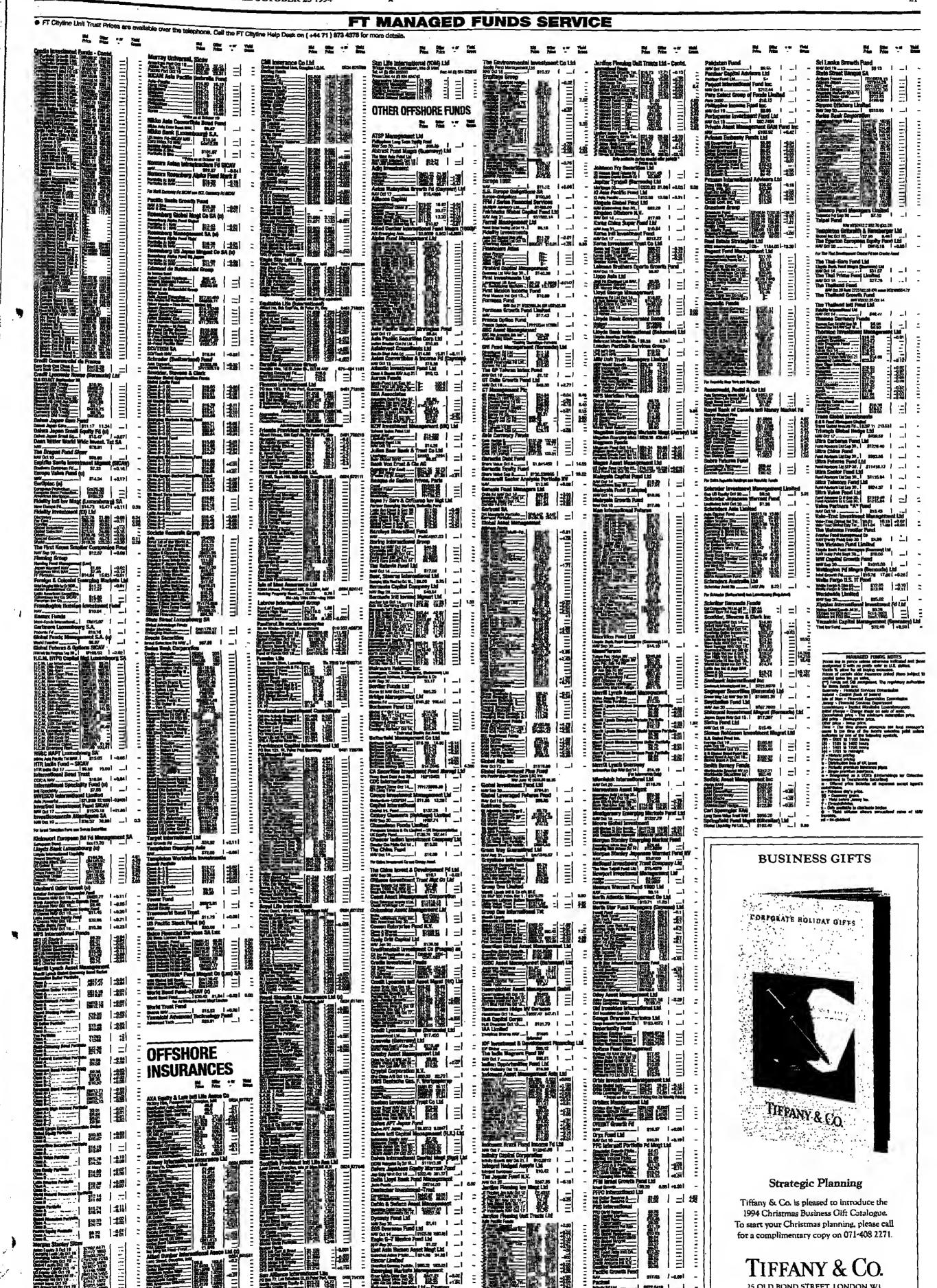
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WORLD STOCK MARKETS

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US stocks suffered more losses yesterday morning as investors nervously eyed the worrisome developments in the bond and foreign exchange markets. writes Frank McGurty in New

By 1 pm, the Dow Jones Industrial Average was 22.88 lower at 3,888.27, while the more broadly based Standard & Poor's 500 was down 2.11 at 464.74

But the level of the declines obscured the breadth of the market's downturn. On the NYSE, losers outpaced gainers by more than two to one. Volume was a moderate 179m shares by early afternoon. In other leading markets, the Nasdaq composite was 2.47 weaker at 765.77, while the American composite was off

The Dow industrials opened sharply lower, following through on the previous session'e 25-point downturn. Renewed weakness in the dollar, which was hovering near

its postwar lows against the yen and D-mark, inspired a new round of selling on the US Treasury market. That pushed the yield on the benchmark 30-year government issne through 8.00 per

cent, an important technical barrier, where it remained for most of the morning. Near midday, bonds recovered a little and yields receded. The slight improvement enabled stocks to retrace some of their losses, but the majority remained mired in negative

territory with a sour mood dominating. By early after-

noon, the Dow industrials were

near the day's worst levels.

earnings news which had poured into Wall Street earlier this week slowed yesterday. Mobil, the first of the big oil

groups to release results. posted net income of \$1.29 a share, about 7 cents above the consensus forecast of analysts. and the stock added just \$1/4 to

General Motors continued to suffer the consequences of a disappointing third-quarter performance, revealed on shares fell a further \$1% to \$41% after Salomon Brothers cut its full-year earnings estimate on the company.

Kimberly-Clark dropped a further \$1% to \$50%, bringing its losses over two days to Brown Brothers Harriman downgraded the stock, citing lower-than-expected earnings

In the technology sector, Silicon Graphics was a bright spot: its stock jumped \$3% to \$28% on news that its net income improved nearly 60 per cent from the 1993 quarter.

On the Nasdaq, Summit Technology was marked up \$3½ to \$36 after a Food and Drug Administration advisory committee issued a conditional recommendation to approve the company's laser treatment for short-sighteeness.

Snapple Beverage surged \$2% to \$14% on speculation that either Coca-Cola or PepsiCo would launch a takeover bid.

Canada

Toronto dipped at midday, pressured by easing consumer products, precious metals and transportation stocks, but trad-

composite index lost 17.83 to 4,301.94 at noon in turnover of 20.1m shares. The consumer products group fell 1.0 per cent as Seagram eased C\$% to C\$41% and Cott fell C\$1 to C\$15% after a downgrade by Lehman Brothers.

The transportation sector lost 0.8 per cent and precious metals were 0.7 per cent lower.

Shares in São Paulo were down 3.6 per cent at midsession as investors reacted to the government's announcement on Thursday of new measures aimed at tackling inflation and restricting the inflow of foreign funds into Brazil.

The Bovespa index was off 1,710 at 45,535 by 1 pm in light turnover of R\$153m (\$179.4m). Telebras preferred dropped 4.7 per cent to R\$40.

Bourses shiver as US T-bond yield tops 8%

As the yield on US T-bonds went over 8 per cent again yesterday, bourses shivered and Mr Albert Edwards at Kleinwort Benson said that the US economy was growing "way out of control", writes Our

EUROPE

Markets Staff. US inflation was only at midtrend after its rise from zero to over 3 per cent so far this year, Mr Edwards maintained: the yield on treasuries could rise sharply in the near term, he said, and European financial

markets remained vulnerable. FRANKFURT analysts made some attempts to relate share price movements to the economic fundamentals - an M3 growth rate slightly above expectations, the weak dollar and its effect on export margins - but this was mostly talk, as chemicals and financials moved back to the forefront in the sector rotation pro-

The Dax index fell 47.73 to 2,022.22 on the session, down 4 per cent over five days after a 7.3 per cent rise in the previous week. In the post-bourse, the Ibis-indicated Dax hit 2,007.19 before closing 35.55, or 1.5 per cent low at 2.016.606. Turnover fell from DM7.4bn to DM7bn. Big post-bourse losers

FT-SE Actuaries Share Indices THE EUROPEAN SERIES Hourly changes Open 11.00 11.30 12.00 13.00 14.00 15.00 Close FT-SE Eurotrack 200 1371.85 1311.86 1310.45 1310.44 1309.68 1306.32 1302.97 1304.75 FT-SE Eurotrack 200 1372.35 1371.91 1370.51 1359.94 1368.98 1366.11 1361.97 1361.84 Oct 19 Oct 18 Oct 17 Oct 14 Oct 20 1324.22 1322.21 1379.60 1833.52 1343.00 1350.17 1360.14 1400.87 1404.65 Deen 1000 (25/10/90); Highyday; 100 - 1912.57; 200 - 1923.01 Lawyday; 100 - 1902.04 200 - 1961.01 † Pursai

Bank and Bayernhypo in financials, and BASF and Hoechst in chemicals, all with falls in the 2 to 3 per cent range.

PARIS closed a disappointing week with a further fall as the market was depressed by German and US data, which led some institutional investors to fear that further interest rate rises could be imminent. The CAC-40 index finished down 25.28 at 1,842.09, off 4.7 per cent on the week. Générale des Eaux lost

FFr21. or nearly 5 per cent, to FFr425 as investors reacted with disappointment to its 5 per cent rise in first half profits, while Eurotunnel, which had suffered from negative publicity following breakdowns of its Eurostar trains, put on FFr1.55 to FFr17.55 on bargain-

AMSTERDAM had options volatility to contend with along with outside influences that beset the continent in general. The AEX index finished down 3.52 at 399.85, after a low of 397, for a loss on the week of

Nedlloyd was among the worst performers on the day, off 4 per cent at Fl 48.90, following news that the EU commission had blocked an agreement between 15 shipping companies in transatlantic container trade. Analysts said that this would mean that shipping rates would come down, with a consequent effect on company

Gist-Brocades, the consumer goods group, lost 50 cents to Fl 44.40, in line with the market trend, and in spite of an upgrade by James Capel. The broker put out a buy note following the company's announcement at the end of September that it was to get out of the US yeast market, in which it had been fighting a losing battle with domestic producers since 1988. This, said Capel, was a hrave decision and meant that the group could concentrate on pursuing its interests in growth mar-

kets, particularly in emerging

economies such as India, Reypt

ZURICH continued the retreat that has taken the market 3.0 lower over the week in a consolidation after last week's gains and in the face of the weak dollar. The SMI index fell 22.3 to 2,508.6, prompting the expectation that next week could see it around the 2,480 level at which it found support during early July and at the start of this month.

The banking sector continued lower, with UBS bearers down another SFr6 to SFr1,139 and CS Holding losing SFr9 to

Hoare Govett recommended a switch from UBS to the relatively weak CS Holding which it saw as a fundamentally undervalued, high quality investment with very positive earnings growth prospects.

Roche certificates lost SFr85 to SPr5.590, taking their loss over the week to 5.9 per cent following the mine month fig-ures on Monday.

MILAN was again depressed by speculative selling of Fiat and the Comit index lost 1.49 to 617.49, taking the week's loss to 2.7 per cent.

UBS commented that domestic institutions were still reported to be overweight in Italy and serious buying was unlikely until the BCI index approached the 580 level Foreign investors were staying well away and were unlikely to return until the political scene became brighter. Fiat finished L50 easier at L6,030, having picked up from

a day's low of L6.030. Written and edited by William Cochrans, John Pitt and Michael

SOUTH AFRICA

Industrials advanced for the eighth straight day as good demand continued to drive prices higher. The overall index rose 32 to 5,775, industrials picked up 13 to 6,624 and golds advanced 21 to 2,350 after bullion's overnight gains.

depress Madrid stocks

Tom Burns analyses the bolsa's lack of enthusiasm

indices rebased

analysts, how can it be expec-

In spite of very low growth for the first half of this year,

depressed domestic demand for

all of the 12 months, histori-

resenting salary increases of

below 3.5 per cent and persis-

tently very high unemploy-

ment, Spain's headline infla-

tion is expect to end 1994 at

between 4.2 and 4.5 per cent

against the initial target of 8.5

A 3.5 per cent inflation rise has been chalked in again for

next year and, unsurprisingly,

the sceptics are out in force,

particularly because there will

be e major change in the com-

position of the GDP. According

to next year's budget, growth will be domestic demand led

and exports will contribute a

mere 0.1 per cent to the fore-

cast 2.8 per cent GDP rise

per cent for this year.

cally low wage settlements rep-

ted to do so next year?

Structure and finances

he fact that the Spanish market has fallen this year is of comparatively little concern to investors who have seen the same story elsewhere in Europe. What worries them is its slow, and apparently unenthusiastic response when other bourses are on the

recovery tack. One reason is that Madrid's bolsa has been pushed back to the periphery. It is no longer exotic, a label which stirred interest in the late 1990s, when Madrid was a sustained target for funds. The holsa is now altogether too well known as small, narrow and illiquid.

hasis, employing price earn-ings ratios and yields relative to the bond market, Spanish equities are cheap; but valuation alone is not enough to propel a market which is seeing plenty of special pleading for its rivals.

By the same token first half corporate results in Spain have been good, with at least 50 per cent in line with most estimates, and some 20 per cent coming out above expectations. in general, earnings have not been disappointing and Spanish companies, thanks in part to more liberal labour market

laws, are looking trimmer than they have done for a long time. "But," says Mr Robert Maxwell of Madrid brokers Maxwell and Espinosa, "you are getting far more noside on earnings in France, Germany and the UK than in Spain." The bolsa's notorious lack of

industrial stocks makes it particularly vulnerable in at times when investors sniff a rally. We are looking for results surprises and for cyclical upturns and Spain does not fit into our strategy for Europe right now," says Ms Alexandra Perricone of London'e James Capel.

Although Capel has remained remained neutral over Spain since the spring, with a weighting of 6 per cent in its European portfolio, its strategists now think that underweighting in the second and third quarters of the year might been more advisable. A second reason for the the government is doing little, or at least not nearly enough, against the 1.6 per cent that to whet investors' appetites. exports contributed this year. The 1995 budget, which is Analysts are concerned currently before parliament, about a string of inflationary has Spain's GDP growing at 2.8 factors which have been built per cent next year, against 1.7 into and around the 1995 budper cent this year, but it makes get: a 1 per cent, across the only a timid use of such expanboard rise in Value Added Tax sion to tackle the public defiwhich, according to the Bank of Spain, will technically cit. The austerity sentiment is there for the Economy minisincrease the CPI by 0.85 per try forecasts a reduction in the cent; additional tax rises on deficit from 6.7 per cent of GDP tobacco, alcohol and fuel as well as raised telephone but it is at best lukewarm. charges; a fall in employers More worrying still is the social security contributions threat of inflation that darkens which unions will seek to recuthe Spanish landscape and perate in wage demands; a deflation of personal income tax rates and witholdings; an with it the fear of an interest

rate rebound. If Spain failed to tame inflation this year, ask indexation of civil servant pay and of pensions. "It would appear that if the government wanted to write inflation increase worries into Spain's economy next year, it could not have gone about it better," said one foreign bank

economist in Madrid. Utilities, consequently, are being downgraded because the interest cycle is perceived to have turned; the jury is out on the banks, the other large component of a bolsa portfolio.

The fact that growth next year will be domestic-led is of little comfort to Spanish investors, for there are precious few consumer spending stocks; the retailer, Cortefiel has been a welcome addition this year. It is easier in Spain to spot and to buy into the export sensitive companies.

Where, then, is the good news to be found?

more cheerful theme, highlighted recently by Baring International Investment Management, is that Spain has been wrongly and Sweden. This is a mistake according to Baring's Ms Kate Munday, because "when you look at the details Spain does not have a funding problem".

The lesson from such a perception is that In Spain's case, the bond market has over-reected. Baring, which is betting on the Spanish bond market's recovery, has moved from being underweight to be being

ASIA PACIFIC

Nikkei and region recover from early blows

Tokyo

While the upsurge in the yen against the dollar discouraged investors, share prices managed to recoup some of their early losses thanks to index buying and the Nikkel finally closed with moderate losses, writes Emiko Terazono in

The 225 average fell 92.82 to 19,899.08, a fraction down on the week, after opening at a high of 19,933.79, and hitting a low of 19,784.86 in the afternoon. Volume totalled 240m shares against 270m.

The Topix index of all first section stocks fell 9.77 to 1,578.94 while the Nikkei 300 lost 1.79 to 288.93. Declines led advances by 738 to 250 with 186 unchanged and, in London, the ISE/Nikkei 50 index fell 2.69 to

High-technology stocks were hit by the strength of the yen. NEC lost Y10 to Y1,230 and Hitachi declined Y7 to Y990. Matsushita Electric Industrial, which issued its Y200bn convertible bond yesterday, was hit by supply concerns and lost Y30 to Y1,580, its fourth consecutive decline. Sega Enter- construction sector hard.

falling Y220 to Y4,630.

Drug companies were lower on reports of a cancer drug with critical side effects, and those named in the reports plunged. Daiichi Pharmaceutical fell Y70 to YL450 and Yakult lost Y80 to Y1,550.

The Tokyo Stock Exchange suspended Tsumura, a Chinese medicine manufacturer, on reports that the company had fabricated YL9bn in sales over three years to 1992. Tsumura denied the report later. Other drug issues were also hit with Fujisawa Pharmaceutical down

In Osaka, the OSE average fell 129.38 to 22,141.94 in volume of 25.5m shares. Nintendo, Y150 to Y5,300.

Further strength was seen in many of the Pacific Rim mar-

nical rebound following falls in the previous two days, but news of the hridge collapse, with the loss of 48 lives hit the

prises extended its losing The composite index added HSBC rose 50 cents to streak to seven trading days, 6.57 to 1,095.24, but was 0.7 per HK\$90.25 and its Hang Seng cent lower on the week.

Dong Ah Construction, build- HK\$55.50. ers of a bridge that collapsed, went limit down, losing Won1,600 to Won38,400. The news depressed other construction companies, leaving the construction sub-index 5.65 lower et to 595.75.
TAIPEI mads another strong

gain to bring its rise on the week to more than 4 per cent. The weighted index closed up 1.2 per cent in heavy trading at 6,839.78., Turnover was T\$108.6bn.

Low-priced textiles attracted most buying, with Shinkong Fibre rising by the 7 per cent limit to T\$25.80. Steels rose eharply on good profit pros-pects, with Kao Rising Chang and First Copper & Iron both limit up to T\$23.10 and T\$28.30.

lows in late afternoon trade as American and Japanese investors began buying the heavily weighted HSBC, ahead of next week's expiry of the October futures contract. The Hang Seng Index closed 50.19 lower at 9,338.59 after seeing an intra-day low of 9,291.08. The index fell 2.7 per cent over the week.

SINGAPORE property shares provided a fillip to an other-wise dull market and the Straits Times Industrials index closed 4.80 lower at 2,377.45, little changed on the week.

DBS Land rose 20 cents to a new high of \$\$5.20 following speculation that It would soon launch a property sale at more SYDNEY closed broadly higher, helped by a rebound in futures prices amid expectations of an interest rate rise in

the near future. The All Ordinaries index rose 18.3 to 2,034.6, for a week's gain of 1.4 per cent.

Speculation continued to focus on when the Reserve HONG KONG bounced off Brokers commented that the rate rise was expected in the next few days, but if it did not emerge the market might fall back on disappointment. Fairfax rose Il cents to

A\$2.80 after the newspaper group said that it intended to expand its interests into the electronic and digital technology sector.

LONDON EQUITIES

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	Aller Decem	540	3616	-	-	ī		Hameon	220		14	17		11%	14
	(575)	569		-		17%		(*222)		3%	5 Yz	81/2	19	24	27
	Argys (*286)	260	2	16	17%	2 1514	14 15 25 20%	(149)		18%	-	Ξ	274	-	_
	ASDA	80	47/2	7		1	314 5	Locas Incu	180	18	24	7	21/2	80%	10
	(43)	70	1	24	5	8	9 11	(~193)	200		12%	17	111%		20
	Dis Akweys	360	1912	31	Q	116	1316 1816	P & 0 (395)		53% 18%	36	70 47	21	13	24 47
	(376)	390		15%			28 34%	Pilidnaton		18%	12	34	2		10%
	940 Billion A (*416)	330 420		=	49 /2 25 /2	1	9% 15% 20% 29	(180)	200	4		14	131/2	1536	211/2
	Boots	500			36	1	8% 18%	Tudential	300		22%			14	22
	(*535)	550	1%	16	29	21	35 40%	(305)	220	ZX		1234	30	33	41
ъ	BP	300	10%	301/2	***	116	11 17	PTZ ["881]	650 900	31	35%	43	14%	25	47 74%
	(*406)	420		14%			25% 32%	Recland	460	17	34	42		22%	
	British Steel	140			23		306 5	[481]	500	- 5	17		42%	47	63
	(L128.)	180		451/4	16%	4%	10% 13	Royal Insce (*272)	390	20%	13	25	15	21%	17½ 28
	(532)	550		15%			43% 47%	Tesco	220		25%		3	615	12
		_	-	32		204		(234)	240		13%		12		211/2
	C401)			18%	20%		15 25 35 41%	Vocatione	200	18		22%		13	18
	Courtedids	(20)	21%	33	44	138	13% 18	(-503)	217	15%	B%	=	17% 5%	227	=
	(*439) Cassum Ulaion	460	35%	144	35		3514 3814 814 1814	(334)	354	4	-		2334	-	-
	(*325)	543		19%			3114 45	Option		Oct		Apr	Oct	Jes	Apr
		_		- 2	_			BAA	500	7	2116	23	8	18	24
	(213) (213)	800 860	18		2		28 45% 54% 74	(T500)	525		11%				361/2
	Register	450	24%	43	58	11%	18% 22	(*518.)	550	20% 1	32 11	23	2	18 49%	24 53
	C481 J	500	272	19%	35%	21	32% 41	Option					Dec		Jun
	Land Secur	600	14%	29	4176	3	15 22	Abbey Net	900	_	38%	_	854	_	24%
	(10)	550		8%		42		[405]	450	13	23		2314		41
	Marias & S (*421)	420		201/2	J.	AUN	17 22 449 48	Amstrad			4%			3	3%
	NetWest	480	32	47%	55	1	11% 24	(*26) Services		11%		316	1214	2514	35
	(489	500	34	24	22%	1412	280% 45	(571)		14%		37%		52%	
	Saleday	390					19% 24%	Blue Circle	280	17		31%	11		25%
	(394)	2					37 41%	(*263) British Gas	300	15%		22 % 25 %	221/2		37 19%
	Shell Trans. (*700)	700			18%	8 52%	22 35 54% 67%	(284)	300		14%		1674	24	31
	Starticuse	200	1916	24%	20%	. 1	4% E%	Dhens	180	22			514		13% 24
	(517)	220	•	12	17	574	13 17%	(*194)	200		15%			20%	
	Tratalgar	80		19%	13	1%	4% 8	HEROCONICI		161	21% 11	34		16%	11
	(35)	1100		514	7%	774	9% 12 24 39%	(*173) Larytia			14%		B		12
	C113D	1150		34%	62	25	48 65%	(132)	140		16%		11%	1616	17%
	Zeneca	800	41				1614 3114	Hall Power	460		45%	57	12		25%
	(*837) Option	850					38 SETH	(-481)	500	-	25%		32%		
	Grand Mat	700	_	33%	_	_	18% 22	Scot Power (*349)	350	161	物化		23%		211/2 351/4
	(104)	420	TH	16%	251/2	22%	35 38	Geers	100	12	14%	16	2	472	8
	Lactroins	140	15		24%		5 B	(*107)	110	21 %	20	11 31%	5	814	12
	(*151) Line Biocolin	160		11% 33h	15 37%		15% 20% 5% 14	Forts (*233)	240	2172		31 % 20%			231/2
	(290)	300	11%	23	28	10%	15 24%	Tarries	120	13	78	72	534	E74	
	Option .				_		Mar Jan	(*126)	130	7%	13	17	11	14	17
	Pages			17%		5%		Thorn EM	950 1000		77 45%	100 70	14	28%	38
	(418)	120		13	17	10%	13 14%	(*986) TSB	220			22%	7	15	19
-	Орйоп		Nov	Feb	Mey	Nev	Feb May	(*221)	240	2%	2%	14	25	29	32
	Bit Aero	490	301/4	41%	58%	18	30 39	Tomkins			22%			10%	
	(469)	EM	19	2114	TOTAL .	43	59 B2	(*207) Wellcome					16%		
	Bat mái (427)	420 480	HIX	15	NIV.	37	17% 25% 42 53%	(450)					30%		
	, /	+50	1			-	TE 30/1	Option		6ct	Jes	M	Oct	J	Apr
	ETR						12 1814	Glasso	550	_	81%	_	_	14%	_
	(*307) Brit Telecon						29% 35% 9 13	(*588)	600	4	32	45	16%	17 /	7216
	(*363)	390	8	14%	Z	14	24% 27%	HSEC 759 SEE			20		5	34 J	
	Carbury Sch	420	25	36%	4314	41/2	10% 19%	(*706) Reutera	750 450	13	31		46 3%	-	A 22
1	(*438)	480	•	17%	23	27%	31 41	(*459)	453	515	-	-	834	-	-
	Restorn Bec							Option		Nev	_	_	Nov	_	7
	(736)	750	21	42	60	31%	49 59% 17% 26%	Rate-Rosco					2%		9
		486	13	4174	34	9%	17% 28%	[174]	190		_	_	11		18
	(461)	320	-	1174	1071	-	45 52	* Hadailda		-	Are i	-	-	_	-

FT GOLD MINES INDEX Out % chig Out Out Year Grount div 52 week 28 on day 18 18 ago yield % High Line 2304.72 +1.1 2278.24 2263.65 1987.46 1.86, 2367.40 1762.02
 3711.67
 +0.7
 3585.94
 3682.51
 2751.43
 3.72
 3685.94
 2204.45

 2901.34
 +0.4
 2891.14
 2857.68
 2241.10
 1.57
 3013.69
 2161.17

 1768.81
 +1.5
 1770.99
 1768.85
 1735.87
 0.76
 2088.65
 1468.11

RISES AND FALLS British Funds Other Fixed Interest

195 1,105 1,287 1,879 3,958 7,094

LONDON RECENT ISSUES: EQUITIES P up (Bn.) High Low Stock

- F.P. 0.88 Bl₂
- F.P. 9.15 73
- F.P. 9.15 73
- F.P. 1.30 1¹₂ 16 APTA Wints.

63 F.P. 1.22 85 65 Income Ests.

115 F.P. 38.1 12 18 65 Enames Workshop
- F.P. 2.83 35 26 Group Dr Cap Wis
- F.P. 2.80 30 28 Croup Dr Cap Wis
- F.P. 2.80 30 28 Croup Dr Cap Wis
- F.P. 38.0 468 475 Profite Inc.
- F.P. 38.0 468 475 Profite Inc.
- F.P. 112.6 379 360 Templeton E New
- F.P. 28.3 360 340 Wiredown Wister
- F.P. 4.74 350 320 Do. NV

RIGHTS OFFERS

FINANCIAL TIMES EQUITY INDICES Oct 21 Oct 20 Oct 19 Oct 18 Oct 17 Yr ago "High
 Ordinary Stere
 2333.7
 2350.2
 2357.0
 2373.9
 2400.4
 2400.5
 2713.6
 2240.8

 Ord. div. yield
 4.41
 4.37
 4.38
 4.33
 4.29
 3.85
 4.51
 3.43

 Earn. yid. % full
 6.29
 6.22
 6.10
 6.12
 4.47
 0.61
 3.82

 P/E ratio nat
 18.30
 18.50
 18.51
 18.64
 18.82
 28.20
 33.43
 16.94

 P/E ratio nat
 17.84
 18.03
 18.04
 18.17
 18.35
 26.00
 30.80
 17.09

Ordinary Share hourly changes

Open 8.00 10.00 11.00- 12.00 13.00 14.00 15.00 16.00 High Low 2347.3 2342.2 2332.1 2336.6 2332.6 2333.4 2326.3 2323.7 2331.5 2347.5 2322.8 Oct 21 Oct 20 Oct 18 Oct 18 Oct 17 Yr ago 22,025 23,005 20,146 21,758 23,946 34,422 - 1407.3 1154.7 1018.1 1078.5 1848.1 1407.3 1154.7 1018.1 1078.5 1848.1 25.888 22.838 24.970 26.871 38.521 556.1 502.4 478.6 436.3 618.8

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REGIONAL MARKETS -			Pound	SUAT OU		Local	Local	Gross	US	Pound			Local			Year
Firemes in parentheses	US.	Day's Change	Sterling	Yen	DM	Currency	% cha	Div.	Dollar	Starting	Yen	DM	Currency	52 week 4	52 week	
show number of lines	Doller	94	Index	Index	Index	inciex	on day	Yield	Index	Index	Index	index	index	High	Low	(abbum
of stock			455.44	104.46	132.55	153.26	0.3	3.62	168.93	154,70	109,74	131.82	152.78	189.18	149.36	154.2
Australia (56)	169.50	0.5	155.41	114.17	144,87	144.81	-1.0	1.11	187.09	171.33	114.89	145.95	145.23	195.89	157.46	182.1
5 #163	. 185.57	-0.5	157.24	105.70	134.12	130.88	-0.2	4.21	172.27	157.77	105.79	134.42	131.20	177.04	149.33	151.
Delokum (17)		-0.3	125.80	84.56	107.31	134.68	0.3	2.51	137.26	125.72	84.30	107,12	134.50	145.31	120.54	
Campada (PDP)	" IOI	0.1	239.55	161.03	204.33	209.08	0.3	1.42	280.67	228.71	160.07	203.40	208.39	275.78	230.27	
Commence (20)	201.14	0.4	181.37	121,92	154.71	191.85	0.1	0.73	197,40	180.78	121,22	154,03	191.57	196,17	115.85	
Valend /240		-0.3	154.30	103.72	131.61	136.12	-0.4	3,10	169,12	154.88	103.88	131.97	135.65	185.37	159.34	
		0.7	133.48	89.73	113.86	113.86	0.7	1.82	144.84	132.65	88.95	113.02	113.02	150.40	128.37	
T	70707	0.9	348.68	284.38	297,43	377.95	0.9	3.29	377.64	345.85	231.91	294.68	374,64	506.58	341.29	
1 V 563			191.88	126.98	163.67	184.68	0.2	3.43	209.18	191.57	128,45	183.23	184.28	215.60	171.88	174.4
		0.2	71.58	48.11	61.06	89.45	0.7	1.75	77.63	71.10	47.67	80.58	88.85	97.78	57.88	71.1
		0.7	148.73	100.85	127.72	100.65	0.0	0.76	162.95	149.23	100,08	127.15	100.06	170.10	124,54	
		0.4	612.07	344.22	436.80		0.6	1.53	556,51	509.65	341.75	434.25	546.07	621.63	430.71	455.5
		0.5	2084.30	1401.15	1777.98	8485.11	0.5	1.20	2253,82	2064.02	1384.06	1758.65	8431.28	2847.08	1090.28	
		1.1 -0.2	198.77	133.61	169.55	166.76	-0.2	3.46	217.55	199.84	133,67	169.85	167.07	218.15	187.01	
		0.5	67.99	45.70	57,99	64.35	0.3	3.78	78.95	67.72	45,41	57.70	64.17	77.59	59.22	
Zestand (14)			190.64	128.15	162.62	184,71	0.4	1,79	207.38	188.82	127.35	181.52	185.98	211,74	165.52	185.1
		0.4	361.52	243.02	308.38	268.23	1.0	1.57	392.20	250.17	240.85	306.04	265.54	396.92	294,58	
		0.7	813.00	210.40	266.99	294.52	0.8	2.18	337,12	308.73	207.02	263,05	291.79	342.00	202.72	
		1.4	130.57	87.84	111.48	135.20	-0.1	4.10	142.78	130.77	87.89	111.42	135.31	155,79	128.88	
		0.0	220.41	148.10	188.01	266.70	0.5	1.57	238.76	218.68	148,64	186,33	254.56	240.83	175.83	
		0.9	152.82	102.59	130.19	128,98	0.1	1.88	167.03	152.98	102.58	130.35	128.83	175.56	143.64	
		-0.2	184,71	124.17	157.57	184.71	0.1	4.12	201.57	134,80	123,78	157,29	184.60	214.96	181.11	190.7
		0.1	174.48	117.27	148.81	190.63	-0.7	2.85	192.04	175.87	117.93	149.85	192.04	196,04	178.95	189.5
USA (515)	19 <u>0.83</u>	-0.7	174,40							4						
car (p)	179 01	0.1	159.17	106.99	135.77	148.39	0.1	8.11	173.67	158.05	108.65	135.51	149.21	179.58	154,79	
EUROPE (709)	200 74	0.7	213.92	143.80	182.47	211.90	0.3	1.40	232.23	212.68	142.61	191,21	211.15	233.74	173.19	
		0.5	158.08	106,28	134,84	111.41	8.0	1.08	171.95	157,48	105.60	134,18	110.75	176.86	134.79	
		0.3	158.42	108,49	135,13	126.71	0.4	1.94	172.58	158.02	106.97	134.64	126.21	175.14	143.88	
		-0.7	171.44	115.24	148.23	186.77	-0.7	2.84	188.64	172.78	115.84	147.20	188.07	192,73	175.87	188.2
	_ 0 / ,	0.1	142.05	95.49	121.17	128.69	0,1	2.50	154.98	141.03	95.17	120.93	128.50	158.12	135.94	
		0.7	239,61	161.07	204.39	252.64	0.7	2.81	260.06	228.10	159.70	202,93	231.13	296.21	230.10	
pacific Ex. Japan (2/3)		0.3	160.34	107.78	136.77	130.59	0.4	1.96	174.50	159.89	107.22	136.23	130.07	176.65	145.58	
		-0.1	162.07	108.95	138.25	145.49	0.0	2.07	177.18	162.26	108.81	135.25	145.49	178.59	155.96	
	177.00	-0.1	163.10	109.64	139.13	148.00	0.0	2.27	178.32	163.30	109.50	139.14	148.01	180.03	158.54	159.5
		-02	179.63	118.71	148,10	177.48	-0.2	2.90	190,18	174.12	116.76	148.36	177.89	195.20	178.34	180.5
World Ex. Jopen (1003)	,,,,,,,,		164.07	110.29	139.95	149.08	0.0	2.27	179.34	164.24	110.13	139.94	149.08	180.80	158.85	169.8
	179.28	0,0	wite and Co													

INVESTMENT TRUSTS - Cont.

BANKS

CHEMICALS

APPLE STATE | Price |
APPLE STATE |
716 Gr4 P/K 8.9 - -2.6 18.8 1.9 35.5 3.2 22.1 1.1 © ----3.7 -94 Mr.

109 General

109 Genera M66 C200m 102.4 187.2 11.7 1.549 1.65 281.8 6.35 16.6 438.5 31.8 184.1 Resting Enry Mas 44.

Variants 4.

Variants 5.

Variants 6.

Variants 6.

Variants 6.

Resting for Hope 44.

Resting For Hope 44.

Resting For Hope 4.

Resting For Hope 4.

Resting For Hope 4.

Resting Grand Inc. 4.

Resting Grand Inc. 4.

Resting Inc. 4.

Rest 1854 - 18 Price 15211 348 63 421-46 125 275 63 28912 163 361 158¹; 158¹; 218 217 292 185 713 216 400 المفاد المهازية والإيارية المنافق المنافقة المنافة المنافقة المنافقة بملمدلمللما **HOUSEHOLD GOODS** # Mer Cooks | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 414 BREWERIES Acca Hidgs | Notes |
Sees | THU |
Soddington | THU |
Soddington | NO |
Surfamwood | NO |
Soddington | 4 Mid No C 2.85 (C 2.85) (C 2. 71ce 2:34 257 d 187 169 3804 456 531 165 549 456 531 165 545 456 531 165 546 615 71c d 187 238 409 728 409 524 498 433 + 0° Mar. Composition (Composition Composition **BUILDING & CONSTRUCTION** 1115 1115 111177 INVESTMENT TRUSTS | 24.6 | Approved by the Instant Revenue | 95 | Approved by the Instant Revenue | 95 | Approved by the Instant Revenue | 95 | Approved by the Instant Revenue | 96 | Approved by the Instant | 97 | Approved | 97 | 168 | 172 | 172 | 172 | 173 | 174 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 | 175 120 97 12 1. 1122-22. [12] 113 111 18 1884 26 2 m 849 1206 1506 152 m 94 m 24 152 m 94 m 24 152 m 125 111 m 125 m 125 14 22 m 125 14 22 m 125 14 22 m 125 14 25 m 125 15 m 125 16 m 125 17 m 1 28.5 24.8 4.3 2.0 12.8 Amicobe Sinfir Jul 128
4.0 4.4 Amicobe Sinfir Jul 128
2.0 6.4 Amicobe Sinfir Jul 128
2.0 6.1 12.3 Bandwing Jul 128
2.0 1.3 Bandwing Jul 128
2.0 1.3 Bandwing Jul 128
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LONDON SHARE SERVICE INVESTMENT TRUSTS - Cont. LEISURE & HOTELS - Cont. - Cont. RETAILERS, GENERAL - Cont. TRANSPORT - Cont. | Compared Lab. | Section | Price | Fig. | Price | Pri | 1994 | 1995 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 1996 | 48.0 48.0 103.5 62.4 1.92 3,600 68.9 4.51 55.5 | 우 | 우 수 | 구 | | | - | | | - | | | - | How Captin 540 5,027 250 250,0 105 70,8 323 551,7 127 254,0 113 255 74,5 113 21,8 117, 6,944 142,9 172,9 | April | Apri PACE 548 995 448 428 199 368 325 547 986 529 546 516 622 318 627 1120 466 473 206 413 365 1740 645 1740 652 811 744 769 744 769 Mile Control (1994) 15,544 (1994) 15,544 (1994) 15,544 (1994) 15,544 (1994) 15,544 (1994) 15,544 (1994) 15,545 (19 + or 1994 M4

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FINANCIAL TIMES

Weekend October 22/October 23 1994

Unease at

N Korean

The US and North Korea

yesterday signed an agreement to

defuse nuclear tension in the

Korean peninsula in spite of

signs of international reserva-

tions about the wisdom of provid-

ing financial aid and advanced



EU averts budget crisis with compromise on fines

European Union finance ministers reached a compromise yesterday over fines due from Italy for cheating on its milk production quota.

The settlement resolves the crisis over the union's planned hudget incresse and means that enlargement, due to hring in Austria, Finland, Sweden and Norway next year, can proceed

It should also avoid a disruptive delay in the sppointment of a new European Commission next January, which will include nominees from the four candidate member states, assuming referendums in Sweden and Norway back EU entry.

Failure to proceed with the expansion from 12 to 16, and, as a knock-on effect, to achieve European Parliament ratification of the new Commission, could have paralysed the union

The crisis arose because ftaly

Mr Michael Howard, the boma

secretary, is backing environ-

mentalists' calls for a public

inquiry into a plan by the Rank

Organisation to build a £100m

Rank says the proposed village, which would be built in 300 acres

of woodland near Folkestone,

would hring 1,000 jobs to an area

It is strongly supported by the

area's local councils, one of

which voted overwhelmingly ear-

lier this month back the project.

objectors have received the sup-

port of the Countryside Commis-

sion and the Council for the Pro-

tection of Rural England. The

commission is opposed to the project because it is in an area

designated as being of outstand-

Rank, which also owns the But-

lins' holiday camps, says the vil-

lic view and noise from the site

would be inaudible to local resi-

The village, built on land pur-

ing natural beauty.

However, local environmental

holiday village in Kent.

of high unemployment.

in EU revenue agreed two years ago unless it was let off part of its fines for exceeding the milk quota. Spain, one of the main beneficiaries from increased union spending in turn said it would not ratify enlargement unless the revenue decision was adhered to.

Germany, currently president of the EU and the greatest enthu-stast for expanding the union, effected a compromise that increased the level of fines on Italy, and to a lesser degree

Spain, for breaking quota targets. Under EU rules, total liability for both countries should have been Ecu4.3bn (£3.38bn), but the Commission had halved that to Ecu2.1bn, provoking the UK to appeal to the European Court of Justice, and prompting outright opposition from the Netherlands

Total fines on the two were set yesterday at Ecu3.2bn, of which Italy will pay Ecu1.9bn in four equal instalments between 1995

Howard backs green lobby

against holiday village plan

14 0 Mins 100

ENGLAND

chased from the Forestry Com-

mission, would be a family resort

similar to those huilt elsewhare

by Center Parcs. It would have

an 18-acre lake, a covered water

area, a golf course and 840 accom-

ect's director, said that although

residents would be deprived of

access to the 300 acre site. Rank

proposed to open up 750 acres of

sub-committee said last month

Kent county council's planning

Mr Michael Stickland, the proj-

WALES

modation units.

nearby woodland.

nuclear Significantly, ministers did not vote on yesterday's deal. Mr Theo Waigel, the German finance minagreement ister chairing the meeting. merely announced unanimous support for proceeding with the revenue increase, and the required majority for the milk By Frances Williams In Geneva, John Burton in Secul and George Graham in Washington

That enabled the Dutch and Danes to claim they were out-voted. The UK had heen concerned that an overt vote, in which the Netherlands and Denmark stuck to their guns, and the British government appeared to cave in, would leave it vulnerable to criticism from Euro-sceptic

in the bush," he said, underlining that Ecu3.2bn was the largest refund to the union budget ever

project outwelghed the environ-mental impact. The council is jointly controlled by Labour and

Shepway district council, which is Liberal Democrat-con-

trolled, also decided earlier this

month to back the project by 41

Although the district council is

the planning authority for the area, the project still has to be approved by Mr John Gummer,

he environment secretary. However, Mr Howard, who is

MP for Folkestone and Hythe.

has urged the Environment Department to hold a public

inquiry into Rank's proposals. In

a statement during the summer.

Mr Howard said he had stressed

to the Environment Department

"tha widespread opposition

which exists to the proposals". Mr Stickland said he feared

that a drawn-out public inquiry

would reduce the commercial via-

bility of the project. He said the

lack of support for the village

factory in Cleveland

the Liberal Democrats.

votes to eight.

technology to a country that con-tinues to flout the Nuclear Non-Proliferation treaty. The board of the International MPs over the revenue increase. An ebullient Mr Kenneth Atomic Energy Agency will meet in Vienna next Tuesday to dis-Clarke, UK Chancellor, insisted "there was never a snowball's chance in Hades of getting over Ecu4bn", in fines even if Britain cuss what it considers the "troublesome precedent" set by the accord under which Pyongyang will freeze and then dismantle its had won its court case. "Three birds in the hand are worth four nuclear programme.

The agency is concerned that there will be a delay of several years before the agency can have full access to North Korea's nuclear sites, putting it in noncompliance with the treaty.

Many South Koreans have also expressed reservations about the pact because it is felt the US has made too many concessions to the North. In a recent South Korean opinion poll almost 60 per cent opposed the deal. In the US, the opposition

Republican party was quick to complain that the Clinton administration was rewarding North Korea for its violations of the non-proliferation treaty,
The framework document

signed yesterday in Geneva out-lines steps to be taken by each side, starting with the freeze by North Korea of its existing nuclear programme and a halt to the construction of two 200MW and 50W graphite-moderated nuclear reactors.

The US will begin to form an international consortium known provisionally as the Korean Energy Development Organisation - to organise and finance the \$4bn (£2.5bn) construction programme for the two 1,000MW light-water reactors. South Korea will have a dominant role, with belp from Japan.

But it will be five years before North Korea is obliged to open all its nuclear waste sites to inspection and the year 2003 before it has dismantled installations.

and telecommunications barriers

and establish a liaison office.

IAEA grapples with deal, Page 3

was in strong contrast to the government's provision of £58m to encourage Samsung to build a

THE LEX COLUMN

Sharing the pain

Equities have bad s had week. Yesterday's troubles stemmed from the overnight slide in the dollar and Treasury bond weakness. Earlier in the week, the culprit was faster-thanexpected growth in retail sales. While both factors are real enough, they need to be seen in context. Retail volumes do, indeed, appear to be growing rapidly but prices are subdued. There is little reason to think inflation is running out of control. Furthermore, yesterday's gross domestic product figures suggest that the economy is slowng down to the sort of rate that should keep inflationary pressures st

hay for some time. The dollar's problems are harder to weep aside. Not only is there a direct impact on the earnings of companies with large US subsidiaries; the accompanying rise in Treasury bond yields has had a knock-on effect on gilts. With gilt yields rising, one would have to be extremely optimistic about dividends to expect shares to remain unscathed. While dividands should grow at about 10 per cent both this year and next, it is hard to argue that such a pace can be kept up after that if inflation really is under control.

The best bopes for equities are therefore either that the dollar recovers or that gilts break their link with Treasury bonds, At some point, one might expect the UK to be rewarded for its fiscal and monetary correctness by a further narrowing of the yield spread between gilts and Treasuries. But sceptical investors will probably wish to wait at least until next month's Budget to reassure themselves that the chancellor's virtue has staying power.

Japanese brokers

Yesterday's half-year results from the top 20 Japanese broking houses were as grim as predicted. Only two reported year on-year-increases in earnings, while 16 posted losses. The primary cause was poor trading volumes on the Tokyo stock exchange. At the bubble's beight, turnover regularly exceeded Y1,000bn a day, But during the first half of 1994, average volumes scarcely reached Y360hn, The collapse hit second-tier brokers particularly hard because equity commissions generate an especially large proportion of their revenues.

The outlook is bleak. With domestic and foreign investors put off by uncertain prospects for the economy and corporate sector, the market's chances of reaching the brokers' predicted

FT-SE Index: 3032.8 (-30.4)



Source: FT Graphite

daily volumes of Y550bn during the second half remain remote.

Brokers have responded by cutting costs with an alacrity unusual among Japanese companies. Numbers employed by the industry have fallen nearly 20 per cent since June 1991. Even so, more radical solutions are required to reduce capacity and increase demand. The traditionally cantious ministry of finance may be tempted to create an orderly and gradual rationalisation through mergers. That is the minimum requirement. Abolition of Tokyo's system of fixed commissions, which keeps transaction costs artificially high, could achieve more. In the short term, margins would be reduced. But in the longer term deregulation would encourage greater efficiency and boost trading.

Brewers

Shares in the UK's leading brewers beld their ground this week in spite of the fall in the overall market. This burst of out-performance reflected bopes of a wave of mergers leading to rationalisation of the industry.
Rationalisation is clearly desirable.

There is 25 per cent overcapacity in the sector and price pressures are intense. Taking out capacity would give a reduced number of brewers scope for improving margins. They would be able to cut production and distribution costs and push through increased prices. An opportunity for such a shake-up may present itself if Foster's Brewing Group - currently reviewing its commitment to the UK decides that it should sell Courage. Were Scottish & Newcastle to emerge as the buyer for the UK's second-biggest hrewer, as rumoured in the mar-ket, the move could prompt Allied Domecq to extract itself from its Carlsberg Tetley juint venture. Such concentration would significantly boost the industry's profitability.

The government would be bound to look askance at any menger between S&N and Courage, since the new entity would have a combined market share of 32 per cent. But that does not mean they should shrink before even testing the political water. A review of the competition regime, five years after the introduction of the "Beer Orders" limiting brewers' ownership of pubs, is overdue. An S&N move on Courage would be a welcome catalyst to change in the sector and oblige the government to take a fresh look at the broader competition issues.

UK pay

Yesterday's rejection of an 7.5 per cent, two-year pay offer hy Jaguar workers appears to provide swift sup-port for the Confederation of British industry's warning about rising labour costs. Eveo if the Jaguar workers' specific worry about overtime makes it a special case, there are clear siens that wage growth is picking up. The Jaguar offer follows the recent 10 per cent, two-year deal at Rover, While settlements in manufacturing have attracted most attention, several large retailers have also agreed hefty

Even so, judging by the official statistics there is little cause for alarm. Though there is quite strung real wage growth, pay increases in manufactur-ing are still being outstripped by productivity growth with the result that unit labour costs are declining. But there are concerns that the headline pay agreement numbers tend to understate the increase in total labour costs. Moreover, the likelihuod that the Increase in employment is being under-recorded would mean that productivity growth is not as strong as it looks.

In any case, improvements in productivity should start to slow as the cycle progresses. Meanwhile, companies like Rover, which cut out all the slack in the recession, are having to recruit again and an increasing number complain about skills shortages. That is not to say that rising wages will feed through swiftly into inflation. But they will put further pressure on corporate margins, already squeezed by higher raw materials costs and stagmant output prices.

Dollar rally

Continued from Page 1 recent weakness has adversely

affected other US financial

markets. Investors are increasingly worried that the US Federal Reserve has not moved quickly enough to raise interest rates and slow the growth of the US economy. The Fed is not expected to raise rates

before the US congressional elec-

tions on November 8.

Jaguar workers reject 7.5% offer Continued from Page 1

workers accepted the pay element of the negotiated offer, which increases their basic rate by 3.5 per cent from November 1 this year. Next November, the company would pay a further 4 per cent or an increase equivalent to the retail price index,

whichever is greater. But the unions and the company believe

1020

workers dislike the requirement to work "compulsory" overtime on top of their basic 37-hour week. Under the proposed deal, employees would have been expected to work overtime "should it become necessary to meet operational needs and/or

maximise efficiency". Both sides are keen to avoid industrial conflict. Jaguar said it believed there was still room for

manoeuvre. A senior TGWU official added that the union was confident that a settlement could be reached. The offer also guaranteed no compulsory redundancies, provided the workforce con-tinued to back efficiencies, and greater security of earnings where workers have to be laid off. Workers would have to accept new working practices to make Jaguar more competitive.

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Europe today

North-western regions will be mild with cloud and rain. Heavy rain is expected, especially in France and the southern North Sea, while the British Isles will have rain and some clear spells. Winds will increase to gale force on the west coast of France and over the Channel. Rain over the Mediterranean will move st. Heavy rain and some local flooding is expected in Greece. Southern Italy will have rain, while southern France and northern Italy will

be clear. Central Europe will remain dry and sunny with a breeze. Northern sie will be cloudy with outbreaks of rain and sleet. Five-day forecast

Scandinavia's dry, sunny spell will end. The North Sea region will be unsettled but mild. It will be much colder later in Mediterranean will move to Turkey after the weekend. Heavy rain is cted in Greece

TODAY'S TEMPERATURES

No other airline flies to more cities in Eastern Europe. Lufthansa

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MERCURY ASSET

VIANAGEMENT

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SECTION II

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Weekend October 22/October 23 1994

Howe – and why Europe ravaged the Tories

The ultimately explosive nature of the Thatcher-Howe relationship is explained by ex-chancellor Lord Lawson in a review of Howe's book

eoffrey Howe has completed the last major ministerial memoir of the Thatcher era, a substantial book by a substantial political figure. After Margaret Thatcher it was Geoffrey Howe, har first chancellor and longest-serving Foreign secretary, who played the most pivotal role in that remarkable decade. Always readable, warmly human, and characteristically fair-minded, it is an essential document for future historians.

A fine mind, intellectual conviction, courage, integrity, tenacity, resilience, great courtesy allied to driving ambition, and a voracious appetite for work - he tells us that he needed, like his prime minister, only four hours' sleep a night -combined to make Geoffrey Howe a formidable minister.

It was his courage and resilience in the face of the most appalling pressures that most contributed to his success as chancellor. In that period, he is perhaps best remem-bered for his brave 1981 Budget, in terms of 1981 money, at the very pit of a recession considerably deeper than the one through which we have recently passed.

The 1981 Budget came to be seen. along with the Falklands conflict in the following year, as the watershed in the political fortunes of the Thatcher government. Not only did it coincide with the end of the economic downturn, and the start of what was to prove an unusually prolonged upswing, but its success confounded the government's critics and threw them into disarray.

In his book, Howe is able to debunk the subsequent myth that

CONTENTS

Finance & Family: Are gilts a safe

Food: How chef Ken Hom entertains

Perspectives: Curing the effects of

How to spend it: The art of akilful

Travel: Laid-back life in Austria's

investment?

second city

30 years in journalism

at home

make-up

TED

DNAL

Conflict of Loyalty, by Geoffrey the Budget was not really his (and his Treasury colleagues') at all, but his Treasury colleagues') at all, but one imposed on him by Number 10.

No similar climacteric punctuated his time as Foreign secretary, where his patient diplomatic skills were often employed to great effect. Geoffrey came to love the Foreign Office and his work abroad as For-eign secretary. The problem lay at home, in the tension between himself and Margaret Thatcher, which became evident quite early on but which steadily grew in intensity. That increasing tension, which ultimately led to his explosive resignation from her government, is the sub-theme of this book.

According to Geoffrey, the deterioration in equality of the Thatcher-Howe partnership occurred "not, I think - at least initially - for personal reasons but largely because of Margaret's profound antipathy for the [Foreign] Office".

There is, of course, much truth in this; but it is not, I think, the whole truth. Margaret Thatcher certainly regarded the Foreign Office as irremably wet, if not actually on the side of the foreigners. But there was a personality problem, too - and one which went beyond, although it was compounded by, their unfortunate personal chemistry.

Geoffrey Howe is no wimp. He was, for example, and rightly, an early and persistent hawk on the trade union issue, which loomed so large during the 1970s and early 1980s. But it remains the case that his political philosophy, as his own account repeatedly shows, is one based on the values of consensus, compromise and "balance"; on a pronounced distaste for what he describes as theological absolutes; and in which the ultimate accolade for any particular stance is that it is

"non-doctrinaire". The difference between this and



Margaret Thatcher's approach to government needs no underlining. Moreover, Geoffrey's commitment to compromise, consensus, and "balance" is held with a passionate intensity. He refers at one point, for example, to "the heady, irresponsible, rhetoric of free collectiva bargaining" and has an instinctive revulsion against immoderate rhet-oric of any kind. He was to find what he saw as the

Thatcher's rhetoric increasingly distasteful. This is linked with his fondness for Balfour's dictum that "democracy is government by explana-tion". Certainly, an important part

the day, it knows that it will be judged not primarily by its intentions but by the results. Geoffrey's interpretation of the Balfour diccrudeness of much of Margaret tum, howaver, goes further than this, embracing extensive consultation and discussion of every kind, both before and after decisions are taken. Hence, for example, his devo-

tion, more than once declared in

innovation and understanding" - a description which, as a chairman of the NEDC for more than six years, and with the best will in the world.

I find difficult to recognise. More generally, in the real world, the search for assent before a policy is put in place can often become a recipe for inaction - indeed, in the modern world of compulsive leaks, evan "confidential" discussion among colleagues has to be handled

with considerable care if it is not to constitute an impediment to action.

Thatcher was right to recognise that the art of governing successfully in a democracy requires strong leadership; and strong leadership cannot allow quite as high a value to the search for consensus, com-promise and "balance" as Geoffrey does, any more than it can afford his expansive interpretation of the need to explain. Sadly, she came to take this recognition too far, and, as Howe accurately chronicles, towards the end, her style of gov-ernment became increasingly, and damagingly, uncollegiate, secretive, authoritarian and strident. But I have to say that my own practical preference is for the style of the early Thatcher years, rather than that of the more civilised Geoffrey Howe - which is perhaps wby be accurately describes our close rela-tionship as that of "firm friends, if

Nevertheless, there was enough common ground between Thatcher and Howe, in terms both of shared beliefs (at one point he describes himself as a "proto-Thatcherite" which in one sense be was) and shared experiences, to have made their differences of philosophy and character a strength rather than a problem, just as the rather greater differences between the personalities and outlooks of Thatcher and Willie Whitelaw, former Conserva-tive party chairman, made his counsel all the more valuable to ber and to the government.

That this was not so can be ottributed to a number of factors. There was the bad chemistry, as incontrovertible as it was inexplicable, which led Thatcher to treat Howe in personal terms, in a way that becama increasingly intolerable. There was also the fact that, while ba kept his very different instinctive approach to issues fairly well disguised when under siege by common enemies at the exchequer, once translated to the Foreign Office his profound commitment to compromise, consensus, and "balance". chiming as it did so well with the departmental ethos, became increasingly apparent.
It may be, too, that she believed

that he was scheming to supplant her - as she knew Willie would not and could not do. Most prime ministers, if they are long enough in office, eventually come to believe they are being conspired against. As is clear from this book, if Margaret Thatcher did believe this she was Howe makes clear, he wanted to succeed her as prime minister, but he never plotted to supplant her.

But the most important contributory factor to the increasingly sour and ultimately explosive nature of the Thatcher/Howe relationship was almost certainly their differing views on Europe - the issue over which Geoffrey was to resign, and the issue which continues to ravage the Conservative Party in government today. It is true that he had very nearly

resigned more than a year earlier.

Continued on Page XX

The Long View/Barry Riley

Knowing your limits



VIIIIX

XVII

to be a curiously old-fashioned sign of a gentlemanly way of doing business. Now it simply looks like an opan invitation to ungentlemanly litigants. With the current

flotation of several more corporate vehicles for Lloyd's, including Wellington Underwriting and Matheson Lloyd's investment Trust, following the earlier group of investment trusts launched last year, it appears as though these limited liability vehicles will account for more than a fifth of total capacity at the troubled London insurance market in 1995.

Before many years have gone by it is likely that the unlimited liabilities assumed by names for the past centuries will have become a thing of the past. Many names have, of course, simply been wiped out. The luckier ones will wonder why they should ever take such risks again

So much for an ancient tradition and good riddance too, many ruined gentlefolk will say. But willingness to back your skill and your reputation with your entire fortune is a highly laudable feature of any financial community. It served the City of London well for centuries. Now, however, unlimited liability is disappearing from Lloyd's as it largely disappeared from the Stock Exchange a decade ago.

The professions are going the same way: one of the biggest accountancy firms, KPMG Peat Marwick, believes it has found a way to incorporate its UK auditing business with limited liability. The well-advised partners at Peats have no intention of suffering the fate of the less well-served Gooda Walker names.

Unlimited liability was once much more widespread, for instance among merchant banks - but Baring Brothers, for example, incorporated a century ago after its rescue by the Bank of England. Today odd pockets of unlimited liability still cling on - at the US investment bank Goldman Sachs, and top stockbro-

Unlimited liability outlived its relevance in the big global markets many years ago, when the potential risks began to multiply and US lawyers began to sharpen their teeth. However, it has persisted because of the privileges it has bestowed and, in the case of Lloyd's, because the risks were not understood, at any rate by the Names. The main attraction has been lack of

disclosure. The penalty for the privilege of limited liability is that your financial affairs must be revealed to your actual or potential creditors. Limited companies must pay for expensiva annual statutory audits - paradoxically conducted until now by secretive partnerships of auditors who shrink from public disclosures. There have also been tax advantages.

Lloyd's expanded steadily in the postwar years because of its plethora of tax and currency loopholes at a time when wealthy Britons paid 96 per cent income tax on investment income, and were trapped by foreign exchange controls.

n the same period, London Stock Exchange firms thrived as unlimited partnerships so long as the securities markets were closely controlled, with fixed commissions and a chiblike rulebook. Even the jobbers, who accepted position risk in a way that the brokers did not, traded satisfactorily in a sheltered environment. Once the markets were opened to international competition, however, the

risks multiplied. Why did Lloyd's not see the same problem coming? An important problem was the existence of a layer of agents between the risk-bearers (the Names) and the market. There was a breach of trust and immense losses resulted. Now, many ruined Names will suffer the final insult that they will be unable to participate in the return of the

Lloyd's market to profit. Lloyd's last reported a profit (of £509m) in 1991, in respect of 1987, on the three-year accounting system. Then came the losses, reaching over £2bn for each of 1990 and 1991. Of course, not all syndicates made substantial losses. There has been a flight to quality, with the 400-odd syndicates of 1990 likely to

dwindle to 150 or less by 1995. The corporate capital is obviously being attracted to the best syndicates. Lloyd's results will anyway have improved out of recognition in the past couple of years, with the insurance cycle turning round (although it may now be past its peak). New capital should make a good return so long as it is successfully ring-fenced from the past problems of Lloyd's, largely related to

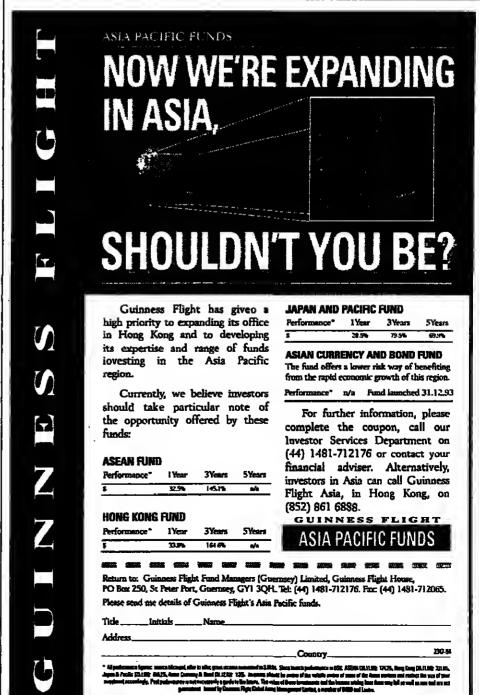
asbestosis and pollution.

But the year-old Lloyd's investment trusts, of which there are about a dozen, have failed to shine so far. The big attraction is that the capital can work twice over - yielding a normal investment return but also a second profit from backing the insurance risk.
Yet the Lloyd's market remains under a
suspicion. There continue to be fears that the ring-fencing from the "old years" will be breached, and Lloyd's 1995 solvency test might yet prove a

The kind of unprecedented claims through the US courts that sank so many Names have also threatened the big firms of accountants. Most are open to various claims of negligent auditing from aggrieved investors.

It was an anomaly that accountants should have retained unlimited liability as they grew over decades from small beginnings to global firms auditing multinational corporations. As with Lloyd's, the risks grew out of propor-tion to the available wealth. A prominent American firm, Laventhal & Horwath, actually ceased trading in 1990, and others remain threatened. Most of the Big Six US firms have become Delaware limited liability partnerships during the past few months.

All this, no doubt, is progress. But in the City of London, unlimited liability once put a premium on the senior partner's nose for probity. Would old-fashioned partnerships have, for instance, floated quite so many ill-prepared new issues as have been launched this year? The danger is that limited liability leads to limited responsibility.





William Packer on the early career

of Michelangelo .. How To Spend It

MARKETS

London Dollar fears unsettle equities

Martin Dickson, financial editor

chill wind from the west - in the form of US cur-. and inflation fears – has set a fragile, unhappy, tone in the London equity market over the past The FT-SE 100 Index began

the week with a modest rise, helped by defence industry bid speculation, but lost its nerve mid-week and fell sharply yesterday to close down some 74 points on the previous Friday night, at 3032.8.

The main factor unsettling traders in London (and other European centres) all week was the weakness of the dollar. which fell against most major currencies on news of a widening US-Japan trade gap and dipped to a two-year low against sterling, through the psychologically significant bar-

rier of \$1.60 to the pound. The weakness of the currency, coupled with revived US inflation concerns, prompted fears of an early increase in

FT-SF 100 Index

APV

Azlan

Iceland

P & O Defd

Seantronic

VideoLogic

Paterson Zochonis

Senior Engineering

† Based on Issue price of 135p.

FT-SE Mid 250 Index

Automated Security

Europunnel Uts

US Federal Reserve, and a knock-on effect on other markets around the world.

The dollar's decline also had a depressing effect on blue chip British companies with large dollar-earning intereste, because City analysts have started trimming back their estimates of overseas earnings for many of these companies. Sharee under preseure included Hanson, Grand Metropolitan and Cadbury Schwep-

There appears to have been some switching by investors to UK financial sectors, which are regarded as less vulnerable to the vagaries of global currency markets.

These trends, however, could throw up some interesting buying opportunities among international blue chips

As the equity markets team at S.G. Warburg Securities points out, the impact of currency movements has been dampened in recent yeare because many companies now base their currency translation calculations on the average

HIGHLIGHTS OF THE WEEK

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3363.4 Lack of buyers

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8714 Chief executive resigns

Restored dividend

Broker recom

Profit-taking

Recovery hopes

181/2 Warms of further losses

Flotation

Boardroom resignation

Results due in November

Missed revenue forecast

Raising £2.8m of new capits

Change on week

-73.9

-41.0

-1014

-11

-30

-19

+18

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-43

-26

+117

Price

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for the past year, and the cur-

rency has instead nose-dived

Domestic British economic

factors have also taken their

toll on market sentiment over the past week. The country's

dismal record in containing

price rises means the market

remains acutely sensitive to any figures hinting et the pos-sibility of rising inflation.

So a frisson of anxiety ran

through the market on Wednesday when September

UK retail sales volumes were

stronger than the City expec-

ted - even though much of the

growth was in areas subject to

Yesterday brought forth sta-

tistics for third quarter GDP -

a much more reliable gauge of

the economy - and these

showed a more comforting,

steady 0.7 per cent increase,

heavy price discounting

against the D-Mark and Yen.

exchange rate prevailing in any year, rather than year-end rates. So many analysts have now only moved their assumptions about the average rate for 1994 from \$1.50 to \$1.55 not to \$1.60 or more.

Moreover, there is no longer necessarily a strong correlation between overseas interests and earnings sensitivity to currency movements, because many companies can now hedge their currency risk.

In addition, the Warburg team argues that major performance shifts between British domestic and overseas companies have in the past coincided with de-synchronised global growth, rather than currency volatility, and at present all the major world economies seem to be recovering, albeit at different rates.

Finally, many currency analysts argue that the dollar is due to rally - although opti-

much in line with analysts' However, that proved little help to the Government gilts market, where the rally of the past few weeks has been replaced by renewed anxiety over inflation on both sides of the Atlantic. While many argue that gilts are due for a strong rally, it is hard to see a short-term change in senti-ment, particularly ahead of next Wednesday's £2.5bn Bank

of England auction. It is equally hard to see UK stocks making much headway without a drop in bond yields, given the current jittery market sentiment and the relative valuation of the fixed income and equity sectors. For example, the yield ratio - the relationship between the yield on government bonds and on corporate dividends - stands at around 2.20, broadly in the

mists have been arguing that middle of its normal range Among individual market sectors the week's more notahle share price movements included a sharp drop in several drug stocks - Glazo, Wellcome and SmithKline Beecham - partly because of dollar akness hut also because of a shift in sentiment away from the sector. SmithKline was also hurt hy news that third quarter US sales of Tagamet. once its best selling anti-ulcer drug, had collapsed after the

expiry of patent protection. The week's main corporate story centred on GEC, the defence and electronics group, and its possible strategy responses to the agreed £478m bid announced on October 13 hy British Aerospace for submarine-maker VSEL

GEC. BAe's defence industry rival, indicated after the BAe offer that it was weighing a counter bid for VSEL. But this week market speculation grew that GEC might bid for BAe itself, driving up that compa-ny's share price sharply. BAe was reported to have

told GEC that it would be prepared to resume talks on merging the defence interests of the two companies, abandoned a year ago, if GEC did not try to stymie its bid for VSEL, A financier with knowledge of GEC was in turn quoted as saying that it had decided against a hostile bid for BAe. A full GEC hid for BAe certainly looks a long shot, not least because of the political ructions this would cause But at the week's end GEC's intentions were no clearer, and the company was under pressure from the Takeover Panel to throw some light on a situation

almost as uncertain as the out-

look for the dollar.

Serious Money

Ideas – the very life blood of investment

Gillian O'Connor, personal finance editor

personal investors will have very different aims from ionals managing a portfolio of investment trusts. But they can still benefit from understanding how the market works. This year's investment trust annual from NatWest Securities* provides many useful insights

The annual is a self-proclaimed tool for professional investors Somewhat apologetically, its 124 pages are devoted to analysing the FT-SE-A investment trust index, and the proposed new sub-sectors. Split-capital trusts (see page

VI) are excluded from the index and will form their own group. Conventional trusts will be divided into UK, Europe, International, Geographic Specialists, and Venture and Development capital. NatWest gives a mildly barbed welcome to these groupings, but its real objective is practical rather than academ

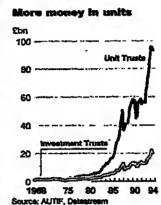
The annual explains to clients how to ensure their portfolios do not lag behind the index; a "Bluffer's Guide to Running an Investment Trust Portfolio". It also suggests some ways in which the new classifications system might itself influence the behaviour of investors - and, hence, of share prices.

The index is dominated disproportionately by a fairly small number of stocks. Get these "performance shapers" right and you can expect to stay fairly close to the index with minimum effort - and invest selectively in the smaller trusts to try to achieve an outstanding performance. But there are often hidden barriers to getting the desired "weightings" in some trusts because many of the shares are held tightly.

NatWest has - with commendable cautions - produced a list of "The hardest stocks to buy". Top of the list is venture capital trust 3i, the recent history of which provides a good example of how scarcity can been sluggish while a French affect a share price.

One reason it has done so well since it came to the stockmarket this eummer is that half the shares are still held by the big banks. So, professional investors have had to huy steadily to try to get a holding in the company proportionate to its status as the largest investment trust - and a FT-SE 100 member, to boot.

Such considerations are quite irrelevant to most personal investors. But they can take advantage of the tribal totems and customs laid bare in the annual.



NatWest suggests, for instance, that the splintering of the index could throw up other funds which are hotly sought-after purely because of their importance to a sub-index. A speculative huying

opportunity? Another useful concept for the numerate investor is "cluster analysis". The point of this exercise is to find out which trusts within a particular sector tend to move together.

Professional investors use this kind of information to construct the type of portfolio they want as efficiently as possible. Why hold six stocks when three can do the same job? The private investor can use this analysis for his own purposes. The fact, say, that a German

smaller company trust has

equivalent has doubled is very material to the small company addict. This weak correlation between two seemingly similar trusts does not necessarily mean that he should avoid the German one - it could be that its big leap was yet to come hut the divargence is worth investigating. Ideas are the life blood of investment.

The amount of money invested through authorised UK unit truets is nearly £100bn, roughly five times the market value of all UK investment trusts. A clutch of top notch stockbrokers publish heavyweight research into investment truets. Only one relatively small firm produces serious qualitative analysis of unit trusts. Odd?

Not really. Investment trust shares are bought mainly by professional investors, while unit trusts are sold mainly to personal investors.

Professional investors get good comparative analysis free from hrokers who hope to get their husiness. Private investors foot the bill for the commission handed over to financial advisers by the unit trust managers themselves.

Most of the total marketing spend goes on persuading people to huy, not on researching which unit trusts are worth buying.

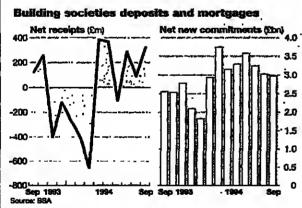
But this is not because it does not matter which unit trust you huy. For example, the latest Emerging Markets annual review from Fund Research shows wider disparitles than ever before. The best global fund rose by 67 per cent, the worst by just over 6 per cent.

Time for some cluster analy-

*1994-95 Investment Trust Annual: £10 from NotWest Stockbrokers, 55 Mansell Street, London El SAN. Mork your order "Attn Mr Clewlow" or phone 071-895 5880.

AT A GLANCE

Gilts: is this the time to buy? Paperiess share dealing/Directors' dealings/New issues..... Eurotunnel: sell or buy?/Critical illness policy..... Trusts/Fixed deposits/Annuities/Highest rates table



Building societies report

August. Adrian Coles, director-general of the Building Societies Association, which released the figures, said that new savings products may have helped to boost societies' Inflow despite tough competition from National Savings. Fixed rates, page VI

Survey on financial advice

advice, says a new survey from market research firm Mintel. Slightly more men than women feel it worthwhile, and it is older, richer people who are prepared to pay. In practice a quarter of all people who took financial advice in the 12 months before the survey period asked friends and relations. And a further 21 per cent went to their bank manager, even though none of the clearers offer independent advice any more. A majority think life assurance is a good way to save.

Trust plans C-share Issue

Small companies slip back

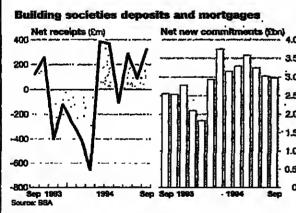
Smaller company shares slipped back slightly last week. The Hoare Govett Smaller Companies Index (capital gains version) dropped 0.3 per cent to 1612.50 over the week to October 20. The previous week it had recouped some of its losses, rising to 1818.61 on October 13, after falling from 1637.33 on September 29 to 1599.51 on October 6. The Index is now down 4.6 per cent since the start of the year, compared with a 9.3 per cent fall in

Next week's family finance

Pensions transfers come under the spotfight when the Securities and Investments Board, the City regulator, sets out guidelines for compensating peopla who have been wrongly sold personal

Finance and the Family

Russian bonds/CGT/Q&A briefcase



fall in mortgage lending

Building societies reported a rise in new savings but a fall in mortgage tending in the wake last month of a half percentage point increase in interest rates. Net retail receipts were £322m the highest monthly level since May and more than three times the August figure of £91m. However, net new commitments for mortgages dropped to £2.97bn, compared with £3.02bn in

Only 8 per cent of consumers are willing to pay for financial

Finsbury Smaller Companies Investment trust is planning to raise an extra £15m with a C-share issue. Some £10m of that is likely to come from a placing with institutions, but £5m will be available to the public. The £35m, split-capital fund invests in UK smaller companies, and is fully Pep qualifying. The closing date for the offer is November 8, and S.G. Warburg is broken to the Investment and unit trust launches, page VI

the FT-SE-A All Share index.

pensions. We take you through the report's implications and help you decida whather you need a personal pension.

Wall Street GM delivers a nasty jolt to share prices

vulnerability to rising interest rates and poor corporate carnings was there for all to see this week when a sharp hike in bond yields and unexpectedly disappointing earnings from General Motors sent share prices tumbling.

Aside from the occasional setback, the Dow Jones industrial average has been on a steady upward path for most of the past two weeks, and seemed poised to break through 4,000 thanks primarily to another quarter of strong corporate earnings.

Yet, on Thursday morning the market received a nasty jolt when GM released its latest quarterly results and the bond market nosedived on a surprisingly strong regional economic report from the Phil-adelphia Federal Reserve.

The news from GM was par-ticularly unwelcome, for one of the constants in the market for most of this tronbled year bas been the strong performance of the domestic car manufacturing industry. Earlier this month GM was the subject of a flattering cover story in Fortune magazine

oger Hurn, chairman and chief executive of Smiths Industries, has a knack of producing solid results which slightly exceed market expectations. Smiths' latest full-year figures, released on Wednesday, were no excep-

Investors, who have grown accustomed to remarkably steady profits in the early 1990s, will nevertheless have been heartened by the 12 per cent increase in pre-tax profits to £117.2m on turnover which grew by 4.6 per cent to £759.3m. True, the pre-tax number was flattered by a \$1.4m profit on the sale of a trade investment, and a £400,000 profit on property disposal, but the underlying profit increase was still impressive.
More importantly the results

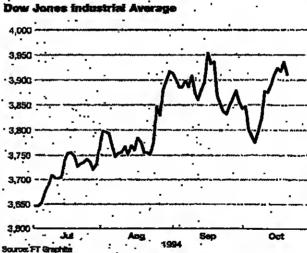
have vindicated Hurn's deci-sion - in the face of the protracted cyclical downturn in both the civil and military aerospace markets - to etrengthen the group's medical systems business and huild a new "third leg" by expanding its industrial engineering operations. "The repositioning

entitled "\$11bn Turnaround at GM", and Detroit was basking in the approval of Wall Street. Thus, it came as a particular shock this week when GM reported net income of \$552m

for the third quarter. At first glance, that looked like an impressive recovery from the company'e loss a year ago of \$112.9m. The results, however, were exewed by a one-off accounting adjustment which lifted earnings hy \$200m. When that contribution was stripped out, the figures were a lot less encouraging. Analysts were particularly troubled by the disappointing performance of GM's international operations, where profits tumbled 60 per

cent to \$240m. Although GM blamed some of its troubles on two strikes in North America, the group has clearly been struggling to keep up with demand, and it is still failing to get control of its

The response from investors to GM's travalls was instantaneous. The chares were sold heavily from the minute the figures were released, and by the end of the day GM's stock price had dropped \$3% to



\$43%. The extent of investors' unhappiness was evident in Friday, GM shares were down the extraordinary amount of selling - turnover was 16.8m shares, almost seven times the normal daily average. The decline wiped some \$2bn off

GM's market value. The selling was not confined to GM - other auto stocks also

to Thursday. By late morning another \$1% at \$41%, taking the total loss since the earnings were released to more than 11 per cent.

took a beating, with Ford and sharp rise in bond yields, Chrysler both racking np losses – and was not confined dreaded 8 per cent mark. The

If the news from GM was not bad enough, the stock market also took a beating in the latter half of the week from a

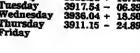
hy two sets of data which undermined fixed-income investors' view that the economy was slowing down sufficiently to dissuade the Fed from raising interest rates one more time as an precautionary The first figures were from the Commerce department,

which announced that housing starts in September jumped 4.4 per cent. The increase took the annualised rate of housing starts to a 1.5m units, the highest since December. The second, even more disturbing, set of statistics came from the Philadelphia Fed, which reported a surge in its index of regional business activity dur-ing October. Especially worry-ing was the news that prices paid and received had climbed sharply in the mouth. Fresh weakness in the dollar

also depressed bond prices this week, and with them stock prices. In fact, on Friday it was another drop in the US currency's value which finally pushed the yield on the bench-mark 30-year government bond above 8 per cent - the first time long-term interest rates have been that high

selling of bonds was triggered since early 1992. Although some analysts had been predicting a stock market rout if bond yields went above, and stayed above, 8 per cent, it did not materialise. Sentiment, however, was clearly affected

> The rise in long-term rates and GM'e unhappy third quarter overshadowed what was another generally positive week for corporate earnings. IBM reported third quarter results which comfortably exceeded analysts' forecasts, yet the computer group'a shares feli when the figures were released. The decline was indicative of two things: it underlined the general malaise of the wider market, and it proved that "Big Blue - for decades the beliwether of the stock market and the country's most eagerly followed company - is no longer the force it once was.



The Bottom Line

A prescription for success

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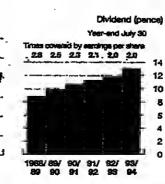
of the group's husinesses over the past few years has been dramatic," says Mustapha Omar, of stockbroker Williams

In 1990, 30 per cent of Smiths' US profits came from the medical and industrial operations; last year, the figure was 60 per cent. For the group as a whole, operating profits from the medical division exceeded those from aerospace electronics for the first time in 1993. Last year, they increased again - by 13 per cent to £46.6m - while aerospace profits slipped 4 per cent to £38.9m. This transformation has been achieved in part through acquisitions. Over the past two years, the group has spent £240m on purchases - £148m on two large medical equipment companies and £92m on four smaller industrial busi-



shareholders, thanks mainly to a cash flow of more than £120m in each of the past three years. The group ended July with just £20m net debt.

The acquisitions have, however, had one negative impact nesses. These have been



holder funds have fallen from a 1992 peak of £330m to £212m. Although this is an accounting quirk, it could limit the group's room for manoeuvre on future cash purchases where there is a large goodwill element.

acquisitions, and does not rule out a large deal which might be financed by equity. He also admits there is little commercial, or even technological, logic linking its aeroepace, medical and industrial operations. If the right offer came along, he says he would consider selling aerospace. Cost-cutting ensured that even the aerospace business performed creditably during

performed creditably during the recession. As part of a radical restructuring, which continues, its workforce has been reduced by 45 per cent since 1990. As a result, operating margins have been maintained above the 10 per cent level.

Although the tantalising unburn in the aerospace marginal results and the servers are marginal results.

upturn in the aerospace mar-ket seems still to be at least two years away, Smiths ehould he positioned well to benefit through its high level of R&D on the balance sheet goodwill

Write-offs mean that share
would like to make further

spending and strong representation on key civil and military

programmes which will come to fruition in the second half of Before then, some analysts,

including Sandy Morris of Nat-West Securities, argue that there are a few more hurdles to

"The most obvious is the need to win the [deal to supply the] flight management computer systems on the new Boeing 737-700," eays Morris. Smiths supplies the systems on existing versions of the 737 but faces tough competition for the new contract.

Nevertheless, from on inves-tor's point of view, most of the potential appears to be on the upside. Even without an upturn in aerospace, the group's expanded medical and industrial operations should keep profits moving ahead. Analysts expect Smithe to make pre-tax profits of around f129m thie year, enabling it to continue its progressive dividend policy while maintaining cover. The shares, which closed the week up 13p at 450p. are trading on a modest pre-

mium to the market. Paul Taylor

5 Miller 1 11 by the lates noward move in

Patrick Harverson

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The lessons to be learnt from the gilts fiasco

Philip Coggan analyses what happened, and why

often are touted as a "safe" choice for private investors. After all, what could be more secure than an investment guaranteed by the government, paying e fixed income and having a fixed repayment value? Those private investors who bought the safety argument for gilts late in 1993 will be laughing hollowly, however. Since January 3, the FT government securities Index has dropped from 107.6 to 91.3. while yields on medium-term gilts have risen from 6.1 per cent to 6.64 per cent. The total return on seven to 10-year gilts over the year to October 17 was -8.07 per cent, according to Lehman Brothers, and that is before taking account of tax.

The news is not all bad. investors will realise their loss only if they sell their gilt hold-ings at today's prices. Indeed, one of the advantages of gilts is that, if you hold them until maturity, you are absolutely sure of your nominal return; those who bought at the start of the year will still earn 6.1 per cent if they hold on.

This is, however, small comfort; after all, investors could have kept their money in the building society for the past 10 months, earning a positive return. But should the falls in bond prices discourage private investors from holding gilts, or should they see it as e buying opportunity? Returns on the 10-year gilt, at 8.63 per cent, are still well above those on offer from a building society. Many economists argued at the start of 1994 that the "fundamentals" were favourable for gilts; in their view, UK inflation was not set to accelerate and the government was getting its budget deficit under control. So far, such analysis



has been proved right - but the economists' conclusions have been completely wrong. Gilt investors have had e painful lesson about the global scale of the bond market.

To understand what has happened to gilts this year, you must look across the Atlantic. On February 4, the US Federal Reserve increased interest rates from 3 to 3.25 per cent. The change might have been small in scale but Its effect on sentiment was enormous.

For much of the 1990s, the Fed had been operating a deliberate policy of low interest rates - both to encourage the US economy to climb out of recession and to re-build the finances of the US banking system, which were weakened severely in the debt binge of the late 1980s. Low interest rates let the banks borrow cheaply and invest the proceeds in higher-yielding bonds. Banks were not the only

ones to spot the profitability of this strategy. "Hedge" funds, which speculate with borrowed money, also got into the act. And private investors, dissatisfied at the low rates payable on deposits, poured money into bond and equity funds.

In the UK and Europe, interest rates also fell early in the 1990s in response to recession The same switch of funds from cash to bonds and equities occurred in the European financial markets, and was reinforced by US investors looking to diversify overseas The result was a speculative bubble which drove the yield on the 30-year US Treasury

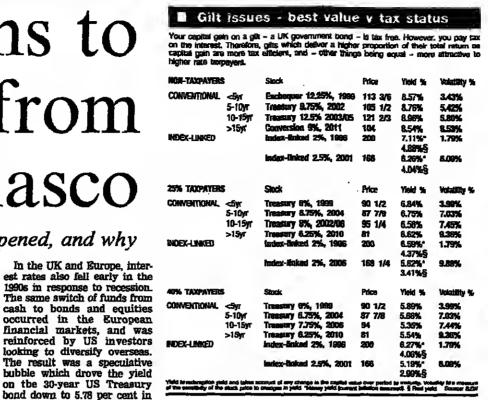
> for e generation. Although the bond market had started to weaken before the increase in US rates in February, the change in Fed policy proved a watershed. The initial rise in bond yields meant that those who had been speculating with borrowed money on ever-falling yields had to move quickly to cut their losses.

October 1993, its lowest level

Then, too, the Fed move coincided with signs that tha European economies were recovering faster than expected. Inflation, regarded previously as yesterday's problem, suddenly became seen as tomorrow's danger.

The turn in the bond markets also revealed e more fundamental problem, Governments round the world had entered the recession with their finances in an unsatisfactory state; the economic downturn made things worse by cutting tax revenues and boosting spending on social services. As result, more bonds were

While speculators were supporting the market, there was plenty of demand to meet this extra supply. But Robin Aspinall, analyst at broker Pan-mure Gordon, says the problems have come home to roost. "Last year, an abundance of liquidity released from (mostly



US) cash inundated the bond markets of the world, delaying and disguising the impact of higher public sector debt issu-

ance," he says. "The heritage of that has been a twin problem the sbock of re-discovering that supply still matters, combined with the hangover left following the over-enthusiastic participation in last year's bull run."

All this had an exaggerated impact on the UK. investors reasoned that if inflation was set to return with a vengeance. Britain probably would be among the victims, partly because of its poor historical record and partly because its recovery was further advanced than that of its fellow Euro-

pean countries. The UK did not help its cause hy cutting base rates just four days after the Fed's first increase. The cut, seen as badly-timed, cast doubts on the government's will to bring down inflation within the lower half of its 1-4 per cent target range.

Yet, after a long period of both relative and absolute weakness, gilts have started to revive recently. Markets accepted the argument that the government's increase in base rates - from 5.25 to 5.75 per cent - was a pre-emptive strike against inflation. Confidence in the government's new mone-

SINCE LAUNCH

UNIT TRUST SECTOR

tary regime, which places a greater emphasis on the role of

nt is taking action to reduce its budget deficit. And while the poblic sector borrowing requirement is forecast to be £30bn to £34bn this year, Britain's finances still look a lot healthier than those of other European countries such as Belgium, Italy and Sweden.

ery shows genuine signs of being different from its recent predecessors, Monthly inflation numbers have been consistently below forecast, culminating in the fall in underlying inflation to 2 per cent in September, the lowest for 27 years. And, far from deteriorating, Britain's trade position has been improving steadily this year, Indeed, Nigel Richardson, head of bond research at Yamaichi International Europe, thinks the UK is going to be one of the best-performing bond markets of the next 12

Certainly, at 8.63 per cent, anyone buying the 10-year gilt is getting a yield which is more than six percentage points higher than the September inflation figure. Most economists think infla-

the Bank of England, was in large part restored. Furthermore, the govern-

> It might be a different story if you are employed and do not need current income. Since gilts pay most of their return as income, they are not very his economic recovtax-efficient, especially for toprate taxpayers. Any gilt priced ebove 100 will pay a high income but, if held to maturity, will involve investors in a capi tal loss which cannot be offset. for CGT purposes, against gains elsewhere. Index-linked gilts are an alternative option for investors seeking capital gains. Both the

believe the government can

achieve its target, this seems

as good a time to buy gilts as

maturity value and the interest on such gilts rise in line with the retail prices index. But the annual income is quite small - normally, 2 or 2.5 per cent - which means that the bulk of the return comes in

the form of capital gain. Since this is tax-free, index-linked gilts may appeal to top-rate Real yields on index-linked gilts are around 3.8 per cent,

implying a total return to investors of around 8 per cent if inflation is 4 per cent.



If you're bent on buying, tion will start to rise from now on, but they differ on whether it will stay within the governhere's how to do it . . meot's 1-4 per cent target range. But if you are an income-seeking investor and

For most investors, the cheapest way of buying gilts is through the National Savings Stock Register, forms for which can be obtained at the post office. A drawback is that the NSSR is a postal-only service; thus, by the time it has received your order, prices may have moved against you. But the reverse can also happen - besides which, price movements over a day or so should not make all that much difference for long-term

For purchases of under £250. the NSSR's commission is a standard £1. For larger buys, the cost is £1 plus 50p for every further £125 or part thereof. Thus, a £1,000 purchase of gilts would cost £4; a £10,000 deal would cost

For sales, the commission is 10p for every £10 or part thereof if the proceeds are less than £100, Between £100 and £250, the rate is £1; above £250, the charges work in the same way as for purchases. Only £25,000 of a stock can be bought or sold in one day via the NSSR, which could

cause some problems for large

investors. As a result, they

may prefer to deal through a Unless you are dealing in sums of over £10,000, a convectional stockbroker

probably will be more expensive that the NSSR; however, you will be more certain about the price of your gilts and you might be able to enefit from the broker's advice. If do not feel capable of

making your own gilt selection, you could buy into e bond fund. There are around 29 bond unit trusts and, like their equity relatives, they own a wide spread of stocks although this does not eliminate risk. In the 12 months to October 1, the average gilts trust lost 10.4 per cent.

The fund manager's expertise also comes at a price: initial charges can be up to 6 per cent and annual charges range from 0.5 to 1.5 per cent. These will obviously reduce investors' income.

Furthermore, while gains on gilts held directly are free of capital gains tax, gains from gilt unit trusts are not.

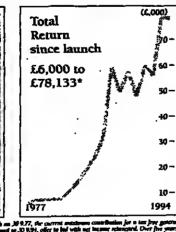
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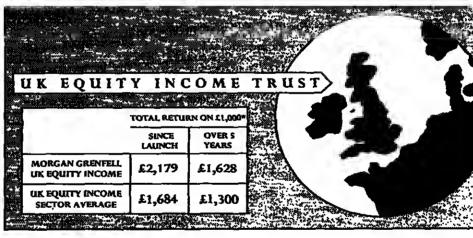
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FINANCE AND THE FAMILY

Bank allays Crest fears

No pressure on private clients under new system, says Norma Cohen

becoming anxious hefore the introduction of the new Crest system for paperless share settlement, the Bank of England has reassuring words. It stresses that taking part in Crest is voluntary and there is nothing to force them to settle

their hargains more quickly.

Moreover, investors who want to retain their share certificates will be able to do so. Even those whose shares are held electronically within Crest will be able to remove all or part of their holdings from

the system in paper form. Best of all, active private investors who wish to avail themselves of the benefits of quick, cheap electronic settlement may join Crest for a fee

of £25 to £50 a year.
The exteot to which private investors find life different under Crest - which is due to start operating in the second half of 1996 - will reflect the extent to which their brokers are prepared to accommodate

suitable price. But there are indications

already that fierce competition hetween brokers means that private clients who shop around are likely to find one willing to meet their wishes. Stockbroker Brewin Dolphin,

for instance, has offered its nominee service to clients free of charge since the advent of 10-day rolling settlement in July, and will continue doing so. This means that those who are prepared to accept a nominee for their shares, to speed the administration of transactions, can do so at no extra charge.

Yet, even if a nominee ser-vice costs nothing, private investors may be reluctant to use it because they will not be able to communicate directly with the companies in which they invest.

There are two issues about the use of nominees," says a Crest spokesman. "First, whether Crest might be able to help brokers communicate

or private clients individual preferences at a details of beneficial owners to companies; and, two, who should pay for the additional cost of that communication?" The Bank of England, which

is overseeing the design phase of Crest, points out that there is no specific requirement for investors to become members of nominees, and those wishing to retain paper will simply con-tinue to conduct their transactions with their broker as they have always done.

ctive traders, however, may choose to become "sponsored" members of Crest. Being a full member of Crest is a hit unrealistic for most pri-vate clients," the spokesman says. "But we think sponsored membership is a viable option for lots of private clients."

Sponsorship will allow you to hold shares electronically within Crest in your own name, and you will continue to appear on each company's share register. But you will have to designate a full Crest member to act on your instructions to huy or sell securities. This choice also will require you to establish a relationship with a hank through which you can make and receive

Crest-related payments.

Private clients should know that the demand for a credit line could well rise significantly under rolling settlement. Buying and selling two lots of securities of equal value on the same day might not erase the need for credit, since you could easily develop an "intra-day" credit exposure. This could happen if your order to buy shares settles in the morning, hut your sell order takes until late after-

hoon. It is expected that hrokers acting as sponsors will help each client arrange a credit line and it will be possible, under Crest's legal structure. to allow a lender a legal charge over securities held in Crest in the investor's name. This should reduce the need for an outright extension of credit.

New issues

The decision this week hy Telewest, the UK's largest cable operator, to proceed with its flotation has come as a welcoose relief to a new issue market that is again dogged by negative news, writes Christopher Price, Telewest postponed its original float date five months ago, citing

difficult market conditions. The plan then involved selling a 20 per cent fully-diluted stake through a placing and intermediaries offer in the US and UK. Such an offer would seek to raise between £300m and £370m in

new money. There was also a positive debut from Servicair, which came to the market at 135p and went to a first day's premlum

But Filtronic Comtek, a manufacturer of components for the mobile telecommunications industry. became the latest market dehutant to disappoint expectations.

Its sbares were priced at 105p, valuing the group at £44.1m. This was well below forecasts, which had ranged as high as £60m.

Directors' transactions

Michael Hepher, managing director of British Telecommuni-cations, has bought 13,918 shares at 363.5p. He is already the larg-

at 363.5p. He is already the largest shareholder on the board, by a considerable margin, and has just over 145,000. The purchase appears to have been one of the last opportunities to deal before the closed period.

Directors of Smith New Court, the investment banking bouse known best for its market-making arm, have made a considerable amount of money from buying their own shares over the and amount of money from ouy-ing their own shares over the past two years. In 1994, however, the trend has been towards sell-ing. The latest disposal was hy Phillip Kay, who sold 20,000 at 221n

321p. □ Conrad Black has bought 1.4m. Obrad Black has bought 1.4m shares in the Telegraph at 330p. In May, he sold 12.5m at 587p through his Hollinger vehicle – a move that caused considerable dismay when, in June, the Telegraph announced it would be cutting its price to meet stiff competition from its principal given. titlon from its principal rival, The Times. The impact of that price cut had little bearing on interim results announced in August, but the fall-out will he much more apparent when final results appear in February. Vivieu MacDonald.

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)

Company	Sector	Snares	Agine	Olleccore.	
SALES					
Atlas Conv Equip		250,000	1,320000	3	
Austin Read		13,360	32,465	1.	
Bank of Scotland	Briks	10,000	20,300	1	
Bridon	Eng	132,287	211,124	2.	
Burmah	Ofil	20,270	174,727	1*	
Eastern Group ,	Elec	58,563	433,366	2.	
Ewart	Prop	20,000	14,800	1*	
Jardine Matheson	Divi	80,000	419,200	1	
Lloyds Abbey Life	Lita	3,354	11,135	1	
Macatlan-Glentivet		20,000	44,000	1	
Newmarket Ven Cap	Tvnl	65,000	34,450	1.	
Portmeirion Pots		20,000	102,400	1	
Quayle Munro		13,000	24,700	1	
Smith New Court		20,000	64,200	1	
Spear JW		15,461	177,802	4.	
Wetherspoon		2,723	11,164	1	
PURCHASES					
Adwest Group	Div!	9.500	14,345	2	
AMS		105,000	30,550	2	
Ashley (Laura)		50,000	35,250	1	
Bank of Scotland		6,916	13,555	i	
Benson Group		141,120	12,701	2	
British Telecom		13,918	50,592	ī	
Burmah		3,000	25,050	1	
Clayhithe Plc		106,221	77,541	ż	
Code		18.000	14,760	ĩ	
Hughes (TJ)		50,000	39,000	i	
Johnston Grp		5.000	14,350	i	
M R Data Mogent		10,000	11,200	i	
MFI		30.000	39,300		
North Sea Assets		50,000	12,000	•	
Polypipe		16,000	20,800	•	
Sears	RotG	10,000	10,200	i	
Stirling Group		50,000	29,500	4	
		1,400,000	4,520000		
Telegraph		19,500	73,905		
				- 1	
Yarkshire Food	rema	25,000	27,000		

Value expressed in 2000s. This list contains all transactions, including the exercise of the Stock Exchange 10-14 October 1994. Source: Directus Ltd, The Inside Track, Edinburgh

RESULTS DUE This year

Int

				Hytolend (p)"
pany		Annemat	Lest	Aoes.	7
	Sector	due	lrįt.	Float	_
L DIVIDENDS					
Group	Ena	Wednesday	0.5	_	

BM GroupEng	Wednesday	0.5	_	
Elackwood Hodgen/a	Wednesday	0.65	1.00	0.2
British Assets TrustinTr	Thursday	1.07	1.07	1.0
CentregoldL&H	Wednesday		-	0.
Deutschland Inv CapOfSh	Fraday	-		
Essex FurnitureReGn	Wednesday	1.5	2.0	1.4
Florning Japanese Inv Trust InTr	Thursday	-	0.45	
Gartmore European by Trust	Monday	_	0.9	
Investors Capital TrustinTr	Thursday	1.275	1.3	1,3
Ivory & Sinte Enterprise CopinTr	Monday	-	-	
London & St Lawrence Inv CoInTr	Thursday	3.64	-	3.12
McKechole Eng	Tuesday	5.0	9.75	5.5
Murray Split Capital Trust	Wednesday	-		
PressecE&EE	Thursday	0.75	1.82	0.7
Scottish Metropolitan Prop Prop	Tuesday	0.4	1.1	0.5
Trace ComputersSpSv	Wednesday	0.55	0.9	0.56
UDO HoldingsOtSy	Tuesday	2.07	5.13	22
Wolesley EdMa	Tuesday	3.55	9,75	4.72
INTERIA DIVIDENDS				

Blacks LeisureReGn	Tuesday	0.75	1.5	
Boxmore International	Tuesday	2.75	-	
Bradford Property Trust Prop	Tuesday	29	3.6	
British & American FilmOtfn	Monday	4.274	9.3	
BroedcastleOtFn	Thursday	0.26	0.75	
Campari international Text	Friday	•		
Country CatualsReGr	Thursday	1.41	2.89	
Craig & Rose	Friday			
CuttersReFd	Monday	-		
DAKS Simptonn/a	Thursday	-		
Edinburgh law TrustidTr	Tuesday	2.95	5.8	
El Oro MiningOtFn	Tuesday		20.0	
Exploration CoOtfn	Tuesday	-	10.0	
Flerning Conti EurohTr	Wednesday	-	22	
Fleming Euro FledglinginTr	Wednesday	-	-	
Fleming Inc & CaptnTr	Thursday	1.0	1.9	
Gerrard & NationalOtFn	Thursday	0.0	16.0	
Gleves ReGn	Wednesday		1.0	
Govett OrientalInTr	Tuesday	0.4	0.75	
Grestum House	Friday	-		
Guardian Media Group n/a	Monday		-	
IAS UK Smaller Co's	Thursday	-	-	
London & MetropolitanProp	Thursday		-	
London Smaller Co's law Trust_inTr	Wednesday	0.78	2.39	
McIneroey PropertiesProp	Thursday			
Moss Bros	Monday	1.5	5.5	
Ocean WilsonsTran	Tuesday	1.0	3.0	
Olives PropertyProp	Tuesday	-	-	
Rameo Engrey OVE	Frictor	-	0.5	

"Dividencis are shown net pence per share and are adjusted for any intervening ecrip issue Reports and accounts are not normally evaluate until about 6 weeks after the board meeting approve prefermany results. \$7 1st quarterly. 4 2nd quarterly. * 2nd Querterly

т	AKE-OVER	BIDS	AND	MERC	ERS
Company tald for	Value of bid per share	Market price*	Price before bid	Value of bid Eme**	Bidder
	Prices in per	nce unless	otherwise	Indicated	
Aitken Hume	55°	61	51		Allied Group
Andrews Sykes	85"	68	67	10.70	Euro Fire Prot.
Attwoods	109	114	109	364.00	Browning-Ferris
Dale Bectric	70%*	72	60	12.00	TT Group
Elswick	16%	15%	12	37,70	Fercusion Intil
Plantsbrook	175"	173	165	193.00	SCI
Scholes ‡	250°	253	193	96.10	Hanson
Towles !	275*	268	243		London City
Trans World I	181	178	173	70.80	EMAP
VSEL	1291	1308	1228	490.27	Brit Aerospace

The week ahead

MONDAY: Moss Bros, the clothing retail and hire group. is expected to huild on last year's growth, with interim pre-tax profits rising from £625,000 to between £1m-£1.3m. TUESDAY: McKechnie, the metals and plastics components group, is heading for 1993-94 pre-tax profits of about £31m, up from £24.51m last time. This would produce earnings per share of 23.8p and should mean at least a maintained dividend of 14.75p. TUESDAY: Wolseley, the world's higgest distributor of

heating and plumbing products, is expected to report another year of record profits. Forecasts range between £185m and more than £200m for the year to end-July, against £121.1m last time, A strong contribution is expected from Erb Lumber, the US distributor of lumber and associated prod-ucts bought for £51.1m last August, and the first full-year of Enertech, the Swedish oil

and gas burner-maker. THURSDAY: Followers of the chemicals sector will be scru-

Share prices relative to the FT-SE-A General Relations Index 200 150 1993

Source: FT Graphite

tinising ICI's third-quarter results for evidence that prices of commodity chemicals are recovering rapidly. The company should show a pre-tax profit comfortably over £125m, compared with last year's

THURSDAY: Country Casuals, the clothing retailer which lost a fifth of its market value after a profits warning last month, is forecast to report Interim pre-tax losses of about £1m.

	PRI	ELIM	NARY I	RESUL	TS			
Company	Sector	Year	pr	e-taux rofit 1000)	bet	niops" shere (p)	ber	ionds shere (p)
Amstrad	68EE	Jun	19,900 L	(20,500)		(-)	0.5	<i>(</i> 0.
Attwoods	OtSv	Jul	9,100	[33,100)	18	(8.96)	5.0	(5 .
Cradley	PP&P	Jun	1,200	(1,640)	25	[3 3)	1 15	(1.1
DFS Furniture	ReGo	Jul	22,700	(19,900)	14.39	(13.02)	7.2	16.
Eumoor Dual Inv Tst	loTr	Augt	74.5	(70.4)	8.23	110.749	8.05	COS
Fisher (Albert)	FdMa.	Aug	34,800	26,200	3.34	C.43)	3.71	3.7
Gleeson (MJ)	BAC	Jean	8,910	(8,200)	58.21	(57.54)	14,16	(12.7
Highland Distilleries	SWAC	Aug	42,500	(38.800)	21.9	(20.1)	7.26	(6.
Hong Kong Inv Trust	ln.Tr	Junt	65 64	(60.6)	1.94	(201)	1.85	(1.7
London & Strathclyde	ΙηΤr	Augt	266.8	(258.8)	6.03	(5.58)	5.75	65.7
MY Holdings	P&PP	Aug	4,510	12.510)	4.50	(3.91)	1.6	(1.2
Paterson Zochonis	HseG	May	28,100	(25,300)	36.6	(32.01)	13.85	(124
Pilver & Mercentile	loTr	Sept	97.74	(123.79)	8.4	(9.3)	7.875	(7.87)
Smithe Industries	Eng	Jus	117,200	(104,600)	26.6	(23.9)	13.0	(11,8
Superscape VR	SpSv	Jul	238 L	(-)		H		,
Town Centre Sees	Prop	Jun	8,810	(8.100)	6.75	(5.65)	3.8	g.
Upton & Southern	HeGn	Jul	4,000 LSS	(635 L)		(-)		

INTERIM STATEMENTS

Company	Sector	Half-year to	Pre-tax (200		inter divide per she	ids*
Aberdeen Stk Houses	LSH	Jun	137 L	(197 L)	-	+
Acom Computer	ESEE	Jun	1,980 L	[305]		ŧ
Airliow Streamlines	EngV	Aug	915	(464)	2.0	a.i
Aminex	OIE	Junt:	482	(125 L)		` 6
Anagon	Hith	Jun	1,990 (,	(1,780 L)		į
Andex Properties	Prop	Sep	110	(54)		į
Automated Security	Sosy	Aug•k	2,590	(903)		è
BMSS	BdMa	Jul	257	(207)	2.0	αi
BS Group	L&H	Jun	429	(116)	3.0	, ,
Bedford (William)	ReGn	Jun	97	ตา ม		ì
Berry, Elirch & Noble	Otf-n	Jul	330	(460)	1.8	12.1
Boot (Henry)	B&C	Jun	2,570	(2,350)	1.85	0.7
Brooks Service	SpSv	Jun	61	157 LI	0.75	io.
Castle MM Int	Text	Jun	323 L	1256 L	-	6
Chesterfield Props	Prop	Jun	4,910	(7,810)	4.4	(4.0
City of Oxford Inv	#17F	Sept	30.1	(38.5)	1.2	n2
Devenport Knitwear	Text	Jun	855	(607)		1.4
Derwent Valley	Prop 9	Jun	3,770	(1,120)	1.58	(1.525
Edos	EAST	Jun	48	(78)	1.20	(1.36.
inglish National Inv	InTr	Sept	356.4	(364.8)		ï
arnel Electronics	Diest	Jul	28,700	£1.100	39	0.2
erguson inti	PPap	Aug	8,010	(5.240)	45	4.25
errun	Eng	Jun	4,190 L	(1,490)	7.	(
orward Technology	E&EE	Jun	340	(1,230 L)	05	ì
Seared Income Inv	lnTr	Sept	98.89	(97.71)	3.25	0.25
Senchewton	Dist	Jun	293 L	(463 L)		(- (-
lamington Kabride	Med	Jun	1.380 L	(621)		สวั
tavelock Europa	B&C	Jun	1.560	(505)	1.0	(13
Celt Energy	OIE	Jun	2.730	Ø.540	1.0	7
Geiswort Endowment	inT _f	Sept	116.9	1109.6		
.e Creuset	HseG	Jun	1,070	(1.160)		7
lonheart	HaeG	Jun	840 L	(518)	:	63.1
New Throgmorton Tst	InTr	Sept	144.5	(114.5)	1.0	(1.5
tiohards	Eng	Jun	120	(62)	1.0	0.D
ilva _	68.EE	Jun	529	(425)	1.0	
loss Group	Dist	Jun	15	(500)	- :	(- 10.2
icantronic	E&EE	Sep	2.400 L	(1,400)		(d.2)
Seeffeld	Tran	Jun	220	(1.060 L)		G
Schutting Group	L&H	Jun	32	(337)		6
Tie Rack	ReGn	Aug	407	(384)		H
	Eng	Sep	30,200	(28,800)	12.0	(10.5
latue & Income Trust	InT;	Sept	106.6	(101.1)	21	(104)
Vasta Mingrot Inti	OtSv	Jun ė	125,400	(110,000)		(4
roridyda –	Text	Jun conesponding	1,700	(1.490)	2.4	62

value per stare. 1 titals purits and pence. § 3 month figures. Φ US datars and cents. § 8 month figures. Φ US datars and cents. § 8 month figures.

RIGHTS ISSUES

OFFERS FOR SALE, PLACINGS & INTRODUCTIONS on Gregory is to mise £4,15m was a pierong of 1,50m storres at 271p.

rife Comtets is placing 23,8m shares waits flotation.

May Smaller Companies Trust as to raise up to £15m vo. a placing and other of 15m C shares.

et 100p. Hill Technologies is to raise £16m via an offer of 25m shares at 100p. Malaya Group et to raise about £13.5m via a placing of 67.3m shares at 20p. New Look is to raise £10m via its flotation. Nordic Exploration is to raise £560,000 via a placing of 2 6m shares. Mordic Exploration is to raise \$550,000 vs. a procing of 2 6m shares. Parity is to raise \$5,7m via a placing and offer. Scentrantic is to raise \$1,2m via a placing and offer of 16,1m shares of 10p. TeleWest is to raise \$300-370m via its Autobor. Upton & Southern is to raise \$5,5m via a placing and offer.

Sidiaw Group is to raise 123.7m via a rights issue.

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THEOPIE WI

Rocky ride for Eurotunnel

Should shareholders sell, hold on - or even buy? Charles Batchelor reviews the options

his has been an inauspicious week for Eurotunnel. The company which operates the Channel tunnel was forced to admit it would miss this year's revenue forecast by a wide margin, while a Eurostar train taking journalists to Paris broke down before it

even started. Even so, travellers who make the trip in one of these sleek expresses, or in the more spartan car shuttles, are in for e pleasant surprise. The ride is extremely smooth, and the pas-sage from the Kent countryside into the tunnel marked by the gentlest of slopes.

Shareholders have had a bumpier ride. Floated et 350p in November 1987, Eurotunnel's shares peaked et £11.64p in June 1989 and have see-sawed between £3 and £5 for much of the eubsequent period. (The bevy of rights issuee complicates comparisons. The adjusted issue price

is 267p and the peak 871p). In recent months they have tallen steadily, dropping 19p in the past week to 209p yester-day – a recovery from Thursday's all-time low of 199p.

With some City analysts forecasting yet another fundraising within the next two years, should shareholders cut their losses and sell, hold on or even buy?

On halance, those who bought enough shares in the 1987 and 1990 issues to qualify for concessions should stay put. Would-be investors should wait a while because there are signs that the shares still have

some way to fall. Eurotunnel is at a tricky stage. The tunnel has been fin-ished but the company still has to prove it can operate a reliShare price (pence)

the additional safety requirements demanded by the British and French governments, and the delays of such a massive project, have heaped up a mountain of debt: £8bn out of total funds of £10.5bn.

Two rights issues have diluted the returns to shareholders and the official starting date for the payment of dividends has been pushed out to 2004. Some analysts

believe it might take longer. The delays to the start of services will reduce revenues this year and next, bringing Eurotunnel perilously close to its financing limits. It is likely that the company will be in technical breach of its covenants by the time the banks come to re-assess their loan

commitments next spring. Yet, co-chairman Sir Alastair Morton is probably right in thinking that the banks will turn a hlind eye to this. They have no wish to bring the project tumbling down.

Eurotunnel's forecasts depend on it persuading large

numbers of people new to the cross-Channel market to make the main reason for existing shareholders to stay with Eurotunnel is the free travel the trip. It is also hoping to take away half of the existing market from the ferries. Anaconcessions. The company will not announce its passenger shuttle fares until the middle lysts doubt whether these ambitious targets can be met. of next month but last Janu-Fears of a price war between the ferries and the tunnel have ary, when it was hoping for a May start to eervices, it eased recently hut Euroannounced fares ranging from tunnel's revenne forecasts would be hit if hostilities re-£125 for a two-day return to

£310 for a mid-summer peak opened. It also faces the probweekend return. lem that much of its debt is at Shareholders who bought variable rates, making it vul-1,000 shares at 350p each in nerable to any increase in 1967 are entitled to two free return trips annually for the On the plus side, the next 65-year life of Eurotunnel's

few months should see the operating contract. final solution to the teething New investors are probably difficulties which have plagued best advised to wait because the start-up of eervices. A rough winter on the Channel there might be some way for the shares to fall before revenues pick up next spring. But there is still the prospect of could persuade road hauliers to desert the ferries, while next dilution if the banks insist spring and summer should see a substantial build-up of tourupon converting some of their ist revenues. By the middle of debt to equity in 12 to 24 next year, the tunnel will have months. Cautious investors may want to see the shape of any new financial structure shown whether it is going to

Chunnel diary Sept 1 1986: Consortium

partners subscribe £46bn of equity for project.
Oct 29: Eurotumnel raises further £206m equity through private placement

with institutions Nov 4 1987: Company reaches agreement for banks to provide £5bn. Nov 27: Public listing completed, raising additional 2770m equity. Dec 1: Tunnelling starts.

Oct 25 1990: Eurotunnel signs agreements for fur-ther £1.8bn of bank credit. Dec 3 1990: Company com-pletes £566m rights issue. Feh 10 1992: Target opening date of June 1993 is post-

Dec 10 1993: Contractors Dec 29: Eurotunnel drops claims against UK and French governments in return for 10-year extension of its concession.

May 6 1994: Inauguration of tunnel by the Queen and French President François Mitterrand. Freight shuttle services etart later in

Mey 26: Eurotunnel launches third rights issue to raise £858m and completes raising of £693m of bank loans. Oct 3: Start of limited pas-

senger shuttle.

Oct 17: Eurotunnel reveals it will achieve only a quarter of the expected 1994 passenger revenues. Nov 14: Start of Euro-star service between London, Nov 15: Start of turn-up-

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Secret on a Ridelity June 1994 mayor of 8 represen

Just for women

Bethan Hutton on a new illness insurance policy

he possibility of getting breast or cervical cancer worries many women. So, a new policy from Pinnacle

night seem a good idea. Called Viva, the women-only policy provides a set level of cover: a cash sum of £10,000, followed by 12 monthly payments of £500, after diagnosis of hreast or cervical cancer. Premiums range from £7 a month for those aged 18 to 28, to £18 monthly between 50 and

Yet, few women reading the promotional leaflet - to be inserted in magazines - will realise that, for a slightly higher premium, they could get cover for all kinds of cancer as well as heart attacks, strokes, multiple scierosis and many other serious illnesses. Critical Illness insurance which is available to both

sexes - is one of the lastest-growing areas of the insurance market but the term is still unfamiliar to many. The basic idea is to provide a lump sum if a person develops one of a

The cash can be used to provide an income (if the victim cannot return to work) or pay for such things as home alterations, holidays or nursing care. The illness does not have to be terminal, or stop the insured person working. More than 90 per cent of claims are for cancer, heart attacks and

The insurance is available in a variety of forms: as a standalone protection policy or linked with life assurance, so that the sum assured is paid either if you die or become ill. Many insurers have now begun to offer it as an optional

It is also relatively inexpensive. A premium of £20 a month would huy a woman aged 29 cover of £53,125 at Ragie Star, £43,218 at Scottish Provident, or £40,047 at Allied get cover of £19.318 at Eagle Star, although she would pay cover of £16,000. Men would pay more, as would smokers. But cover added on to a mort-

gage is even cheaper. Although breast and cervical cancer are the two most emotionally-charged llinesses women face, Viva is a relatively expensive way of covering them: it makes more sense to insure against the full

range of critical illnesses. And, rather than buying any kind of financial service directly from a mail shot or magazine insert, always talk first to an independent finan-

it to a Bond, Bank of Scotland

and go passenger shuttle. before committing themselves.

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ASSURANCE MARKETING GROUP

plit-capital investment trusts are complicated

at the best of times, with their multitude of differ-

ent share classes entitled to varied portions of capital and

income. But recent events have

highlighted a further area of

complication: what happens when a split-capital trust is

Shareholders in Sphere, due

holders in Gartmore American

anonymous American investor

a clever plan to get a larger share of the assets on wind-up.

These situations arise

because split-capital trusts

have limited lives. When the

trust is created, a provisional

wind-up date is written into its

legal structure – usually seven

or 10 years away. But this does

nearing the end of its life?

■ Top annuity rates An annuity provides a quarantsed income for life in return for a lump sum investment. The bulk of the fund bulk up by many types of pension plan must be used in this way. This week's table shows COMPRILSORY PURCHASE ANNUTY RATES which are us for small company schemes, additional voluntary contribution plans (AVCs) and free standing AVCs (FSAVCs) among others. The rates do not include inflation proofing.

Male age 55	Annuity]+0.2%]*	Female age 50	Annuity]-3.3%}*
Generali	£10,380.18	Generall	29,133.97
Equitable Life	£10,284.00	Narwich Union	£9,126.00
RNPFN	£10,261.68	RNPFN	29,075.24
Male age 60	Annuity (+0.6%)*	Female age 60	Amulty (-1.2%)*
RNPFN	£11,275.20	RNPFN	£10,289.16
Generali	£11,266.72	Generali	£10,112.97
Equitable Life	£11,196.96	Royal Life	£10,029.59
Male age 70	Annuity (+2.6%)*	Female ege 70	Annuity (+1.6%)*
RNPFN	£14,872.08	RNPFN	£12,888.24
Equitable Life	£14,138.04	Royal Life	£12,310.98
Generali	£14,082.85	Equitable Life	£12,201.00

JOINT LIFE - 100% SPOUSE'S BENEFIT Male age 60 Female age 57 Annuity (-0.9%)* 29,463.92 £10,029.61 General

£9,211.44

29,194.00

RNPFN

Norwich Union

Payments are monthly in amears, without a guerantee period. Rates are at 18 October 1994. Figures assume an annuity purchase price of £75,000 after paying tax free cash of £25,000 and are shown grose. RNPFN annuitees are available only to nurses and alled workers.

Source: Annuity Bureau: 071 620 4090.

RNPFN

29,956.16

29,745.50

Annuities Trend is down

Although the table shows that many annuity rates have moved up since a month ago, most competitive providers have reduced theirs, including Generali, Prudential, Sun Life of Canada, Canada Life and Royal Life.

A few companies have maintained rates but the trend is downwards. Again, the movement is linked to inflation, this time with indications that inflation is under control. In the short term, rates should continue to

> Peter Quinton, Annuity Burean

A quick guide to doing the splits

Bethan Hutton looks at the complications

to wind up in a year's time, are considering a bid hy Dartmoor, another split-capital investnot mean the trust will necessarily cease to exist on that ment trust. Meanwhile, sharedate. Fund managers make their living by charging a per-centage on the funds they have Securities, due to wind up in March, voted this week not to under management, so they block an extension of the trust's life - so thwarting an are understandably reluctant to wave goodbye to a pool of money if there is any way they (or group) who had worked out can avoid it.

The main options are: for the fund to be wound up; for its life to he extended; or for another trust to bid for it. Pronosals are made up to a year in advance, so that shareholders can decide. The most attractive option for them will depend on which class of share they hold, and their priorities.

The two most common types of split-capital trust share are zero dividend preference shares and income shares (or ordinary income shares). Zeros pay no dividends, but their capital entitlement grows by a fixed amount each year and is paid out in one go when the trust is wound up. Income shares get all the trust's income and can yield very highly, but their capital entitlement is less generous. It often depends on what is left when the zeros have been repaid,

Income share-holders may not mind carrying on with the same trust, or accepting a hid from a similar trust, if it gives them a continuing income stream - hut zero-holders are another matter. Zeros are used

structuring last year of the as financial planning tools for items such as school fees: City of Oxford trust, which investors huy zeros from a made no cash offer to zeroseries of different trusts so that holders when the life of the trust was extended. At the lumps of capital become availtime, the board explained that able at regular intervals. If. because the extended life of the rather than winding up, a trust is rolled over, that could throw trust would add value to the out all the careful planning. shares, zero-holders would do just as well hy selling in the Zeros do not usually have

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HAD THAT

voting rights, but trusts usually are structured to give them a vote if a deal that would affect their fixed cash entitlement, or its date of payment, is being considered. Most re-structurings and hlds give zero-holders a cash option on or hefore the scheduled

One exception was the re-

and drew heavy criticism from fund managers and corporate

financiers.

The strategy used by another Garimore split last year met with more approval. As Gartmore Value was nearing the end of its life, a newly-created trust, Gartmore Shared Equity, bid for its shares. This gave investors two options: to sit tight until wind-up and get their scheduled entillements, or swap their shares for others in the very similar new trust.

ost uf the income-share bolders opted for the new trust, as did a fifth of the zero-holders. while the rest are still in the rump of Gartmure Value. which should wind up in January, as scheduled. The new trust also raised extra cash with a public offer. The success of this scheme could mean it is imitated by other trusts over the next few years.

The takeover hattle for Sphere illustrates a different approach again. Dartmour is offering eight of its new income shares for every 25 Sphere income shares.

The offer has been accepted provisionally hy Exeter Fund Managers (Dartmoor's manager) and Ahtrust Fund Managers which, between them, hold more than half the ordinary shares.

The Sphere board yesterday recommended other shareholders to consider either retaining their shares in Sphere until the wind-up, or selling them in the market, it advised accepting the offer for warrants.

Hart also favours holding on to the Sphere shares. He points out that while Sphere has an international general portfolio, Dartmoor's portfolio of mainly bighly-geared instruments is feeling among sharebolders not such a safe prospect.

NEW INVESTMENT TRUST LAUNCHES Invst. Change Manager (Telephone) ■ Fidelity Special Values Fidelity (0800 414161) SG Warhung JK Growth 1:5 30+ 100n 95.5n £1.000 0.95 New twin for Fidelity's Special Situations unit trust, run by Anthony Bolton ■ Foreign & Colonial Emerging Market Foreign & Colonial (071 628 8000) 1:5 100 n/a Credit Lyomnais Lating Emerging Mikts C-share issue from established emerging markets trust, ranked second in its sector over three years ■ Invesco Korea Trust Invesco (0800 010333) Far East ex Japan C-share issue to raise new capital for this three-year-old, £40m specialist trust Murray Emerging Economic Murray Johnstone (0345 222 229) De Zoete & Bevan Ernerging Mikts 1:5 20m+ n/2 No Yes 100p 95.5 £1,000 1.25% investing in real emerging markets ~ India, China, Brazil, Hungary etc – not "gateways" like Hong Kong or Vienna **NEW UNIT TRUST LAUNCHES** II III. Investment Trust Portfolio Trust Vargreaves Lansdown (0272 767 767) Investment trass units 2 Yes Yes 5.75 1.5 No 2,500 5.75 1.5 No 2,500 Yes* 7/10/94-27/10/94 Unit trust investing in a wide range of UK and overseas investment trusts, with a 5 per cent annual withdrawal facility. 1 percentage point discount on investments over E5,000; 1.5 over £10,000, 2 over £10,000, and 3 over £50,000. Managed Growth Pund M&G (071 626 4588) Fund of Funds 1 Yes Yes 5 1.5 No £500 0 1.5 Yes** £1,000 8/10/94-28/10/94 MSG's second fund of funds, this one concentrates on long-term growth. It is also the second M&G no-initial-charge Pep "Withdrawal charges on a skiding scale from 4.5 per cent in the first year down to 0 after the end of the 18th year II Global Growth Pen Fund Martin Currie (0800 838776) 1 Yes Yes 5.25 1.5 No £1,000 5.25 1.5 No £1,000 \$ 17/10/94-5/11/94 International Growth Launched to attract the Pep market this is more UK and Europe-oriented than the company's international growth fund, ranked 14 of 115 funds over 6 years \$ 2 percentage point discount for investors transming from other Pap schemes

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Fixed rates gamble

onventional wisdom is under attack in the savings market. As an illustration, try this two-part quiz. 1. When interest rates are

rising, is it a good time to fix your deposit interest rate? 2. If base rates are 5.75 per cent, should you leave your money with someone offering up to 12 per cent?

answer "no" to both. After all, if interest rates are increasing, it is better to leave savings free to climh up on the back of rising base rates. Besides which, if someone is offering a return that seems too good to be true. it probably is. Yet, a number of high street banks and huilding societies are offering compara-

tively high fixed deposit rates.
The table, provided by
Moneyfacts, shows the most competitive on offer. The terms are between three to five years, hut whether the interest rates end up heing a good deal depends on the hehaviour of base rates over the period.

Simon Briscoe, UK economist at S.G. Warburg, expects three rises in base rates - of half a percentage point each time - by the end of next year. This would take them to just over 7 per cent. He believes the usual cycle of sharp interest rate rises is over for now and that the UK economy will have a lengthy period of relatively

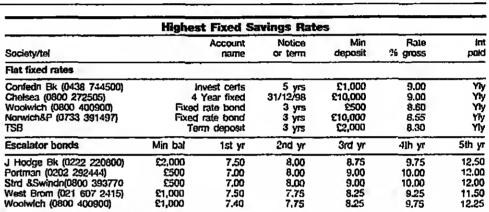
low growth.
John Marsland, senior UK economist at UBS, is less optimistic about a low interest-rate era. While he thinks the economic basics point to hase rates of 7 to 8 per cent next year, he believes the relative weakness of sterling actually will propel them to 10 per cent hy the end of 1995.

Taking a fixed rate is a gam-ble although those on offer suggest that, even if you do lose out, it should not be hy much. The question remains: which is hest - a flat fixed rate or an escalator bond, paying pre-determined rates which increase over the term of the investment? In general, the escalator bonds pay a higher annual rate – hnt your money is tied up for longer.

The highest annual average of 9.3 per cent gross comes from Julian Hodge, a small, privately-owned, Cardiff-based hank. For those who prefer huilding societies, the annual average rates are 9.2 per cent at Portman or Stroud & Swindon, 9.08 at Wcolwich, and 8.85 at West Bromwich.
The main drawback with

fixed-rate deposits is the with-drawal penalties. Indeed, Woolwich does not allow any early withdrawals on its three-year bond and none in the first two years of its escalator bond. After that, withdrawals cost you 90 days' loss of interest.

There are other products offering high fixed rates of interest; the Highest Rates for your Money table shows the Confederation Bank is paying 9 per ceot on its fixed-rate Tessa



open market after the re-struc-

turing. While that might have been

true in that instance, it will

not always be the case. Indeed,

James Hart, a split-capital spe-

cialist at broker Olliff & Part-

ners, says he does not think

this approach will be used

again as it caused a lot of bad

drip-fed into a Tessa) compared bonds are taxable.

All rates are gross and are maried to change without notice. Source: Mor

man or Stroud & Swindon. The Tessa has the important advantage of being tax-free as

But this is available only to drawn during its five-year when held for five years, a those who put up £8,900 (to be term, whereas the fixed-rate

Higher-rate taxt prefer to invest in tax-free National Savings certificates. The 42nd issue pays a tax-free long as capital is not with. 5.85 per cent a year compound

return which is equivalent to an annual 9.75 per cent gross for a 40 per cent

> Scheherazade Daneshkhu

	IIGHEST RATES FOI	YOUR MO	NEY			
	Account	Telephone	Notice/	Misitawa deposit	Rate	Þ
INSTANT ACCESS A/cs	, and a second	- поримно	Walter	Cottom		-
Confederation Bank	Lquidity	0438 744500	Instant	7100	F 050:	
Vanchester BS	Money-by-Mail	081 839 5545	Postal	000,12 000,12	5.25% 5.80%	,
Skipton BS	3 High Street	0756 700511	instant	55,000	6.10%	,
Northern Rock BS	Go Direct	0500 505000	instant	220,000	6.65%	,
NOTICE A/cs and BONDS				220,000	0.00-6	_
Bradford & Bingley	Direct Notice	0345 248248	200-77	C1 000	£ 4504	
Iniversal BS	1 Yr High Option		30Day(P)	21,000	6.15%	
lalifax BS	Special Reserve	091 232 0973 0422 333333	90Day	210,000	7.00%	
Cheisea BS	Four Year Fixed	0800 272505	1 Yr End 31.12.98	210,000	7.35%	9
MONTHLY INTEREST	FULL TOLE FIXED	0000 212505	31.12.80	£10,000	9.00%F	
Britannia ES Bradford & Binglev BS	Capital Trust	0538 391741	Postal	65'000	5.70%	
Vorthern Rock BS	Direct Notice	0345 248248	30Day(P)	210,000	6.45%	
helses BS	Postal 60 Four Year Fixed	0500 505000	60 Day	£10,000	5.55%	- 1
	FOUR Year Foxed	0800 272505	31.12.98	£10,000	8.65%F	_'
ESSAs (Tax Free)						_
Confederation Bank		0438 744500	5 Year	28,900	9.00%F	
darket Harborough BS		0858 463244	5 Year	000.63	7.60%	
iolmsdale BS		0737 245716	5 Year	21	7.40%	
Toton & Coseley BS		021 \$57 2551	5 Year	£1	7.35%	•
SIGH INTEREST CHEQUE A/es	(Gross)					_
Voolwich BS	Current	0800 400900	Instant	£500	3.50%	_
letifex BS	Asset Reserve	0422 335333	Instant	€5,000	4.85%	
Chelsea BS	Classic Postal	0800 717515	instant	€2,500	6.00%	,
OFFSHORE ACCOUNTS (Gross				225,000	6.35%	
Voolwich Guernsey Ltd		A474				
Confederation Bank Jersey	International Flexible Inv	0481 715735	instant	€500	5.75%	,
erbyshire (IOM) Ltd	Ninety Day	0534 608060	60 Day	210,000	6.30%	7
lalifax Inti (Jersey)	Fixed Rate	0624 683432 0534 59840	90 Day 3 Year	210,000	6.55%	
CUARANTEED INCOME BONDS (No	4		J 164	210,000	6.50%F	
IG Life FN		081 680 7172	1 Year			_
IG Life FN		081 680 7172	2 Year	£15,000	5.70%	1
aurentian Life FN		0452 371371	3 Year	£15,000 £50,600	6.45%	
eneral Portfolio FN		0279 462839	4 Year	£10,000	S.90%	,
urolife		071 454 0105	5 Year	£10,000	6.80% 8.00%	,
ATTORIAL SAVINGS A/Cs & BOHDS	(Gross)					_
	investment A/C		1 Month	120	5.25%G	
	Income Bonds		3 Month	25'000 750	5.50%H	٨
	Capital Bonds I		5 Year	2100	7.75%F	Ö
	First Option Bond		12 Month	£1,000	6.40%Fi	š
	Pensioners GIB 2		S Year	£500	7.50%F	λ
AT SAVINGS CERTIFICATES (Tax	Free)					_
	42nd Issue		5 Year	0100	E 06-15	_
	8th Index Linked		5 Year	£100	5.85%F	9
	A		- 1-3	€100	3.00%F	0
	Childrens Bond G		5 Year	£25	+/nflα 7.85%F	0
	building societies only. All I Rate (All other rates are var					_

Bonds) are shown Gross. F = Fixed Mate (All other rates are variable) OM = Interest paid on maturity. N= Not Rate. Pa By Post only. G= 5.75 per cent on £500; 6 per cent on £25,000 and above. H= 6.75 per cont on £25,000 and above. E= 6.80 per cent on £20,000 and above. Source: Moneyfacts, Laundry Loke, North Wulsham, Norfolk, NR28 080. Readers can obtain an introductory copy by 'phoning 0692-500 665. Figures compiled on: October 21 1994

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A bond boom that went bust

Antony Thorncroft charts the rise and fall of pre-revolutionary Russian paper

pages. John Thornhill describing the pitfalls and the potential pay-offs from investing in the fledgling Moscow Stock Exchange it must be one of the most speculative propositions on offer but at least one merchant bank, Morgan Grenfell, sees potential returns that would match Tokyo in the

But what of people holding Russian stocks and bonds dating from pre-revolutionary days? How do they stand? In the 19th and early 20th

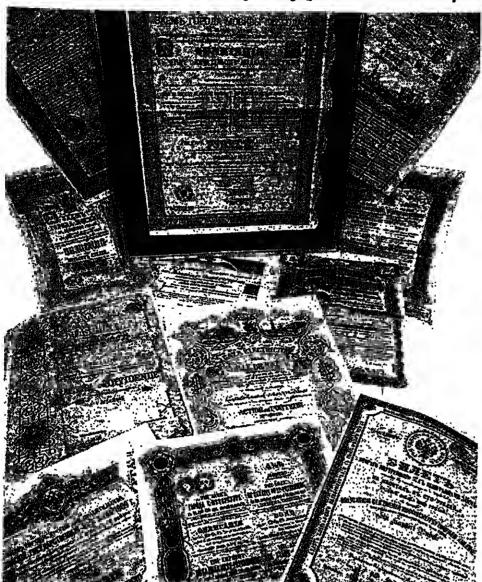
centuries, the Russian government, along with companies and cities, looked to the west and cines, nower to the west and, in particular, the UK – for most of its investment reve-nue. Bond and share certificates, issued by the City of St Petersburg or the Moscow-Kiev Railway, have been accumulat-ing dust in bank vaults and deed boxes in the UK for many decades. Have they any value?

Yes - as a collectable. They are a thriving part of scripo-phily, a term coined in 1978 following a newspaper competition to find a name for the new hohhy of collecting old bond and share certificates. The craze started in Germany early in the 1970s and, for a brief period between 1978 and 1981, was itself the source of a speculative boom comparable with the railway mania of the 1840s or the Californian gold

Riding the belter-skelter was Stanley Gibbons. This respected stamp dealer acquired from banks and brokers millions of old share cer-tificates, bonds and treasury hills and began selling them to

Fuelled by a City boom, it drew in thousands of new col-lectors who were persuaded they were acquiring a decorative document that was ideal to cheer up an office wall and could also be a good investment. Perhaps the certificates might be redeemed one day; certainly, new collectors in the frotby market place would

force prices up.
Indeed, prices did move up frantically for months. In October 1979 alone, Glbbons sold £700,000 worth of material and



at the peak of the boom, one 1898 Chinese bond was, reput-edly, sold for £15,000. Today, in perfect condition, it might sell for £3,000 - for Gibbons had

over-reached itself. When the collapse came, it was sudden and final. The new management team at the com-pany considered accepting an offer of £20,000 for its entire unsold stock, numbering over 3m documents. In the end, consultant Leslie Tripp was called in to clear up the mess, and he raised more than £100,000 by selling the documents around the world to dealers and collec-

Then, an odd thing hap-pened. In 1986, the Soviet Union, motivated by perestroika and a wish to join the International Monetary Fund, offered to redeem the old Rus-sian bonds and shares. Money was unfrozen in British bank accounts to finance the deal. And while it was thought originally that bolders would receive just 10 per cent of the face value of the documents.

the take-up in the end was not as great as anticipated and they got 54 per cent.

This meant that anyone who had bought a £100 Russlan bond from Stanley Gibbons in 1979 for perbaps £20 would have been able to cash it in for £54. China and other east European governments also made once-and-for-all offers to redeem stock late in the 1980s.

Yet, some speculative opportunities remain. East German cities have not settled and some of those owning City of

oor children money now - to

buy better houses, cars etc -

without paying more tax? He says any money spent like this is liable for tax but Dresden £100 bonds of 1927, for example, might get a happy surprise one day - although only if they bought such certificates in recent years. At the height of the 1980s' boom, a good example might have cost £350; recently, they could be obtained for £10.

There is also talk that Russia might come to an agreement over pre-revolutionary shares sold in France, which has boosted prices there. And, as Fidel Castro ages, US collectors of Cuban bonds and shares are getting excited about an even-

To a very great extent, though, the investment element has disappeared totally from scripophily and dealings have become the passion of just a few thousand collectors, many of whom work in the

City of London or in banking. Most buyers are looking for an attractive wall decoration. Tripp - wbo now runs Scripophily International Promotions and acts as an solviser to Phillips, which bolds three specialist auctions a year in this area - says typical clients are western oil executives sent to work in Russia who like to hang share certificates of prerevolutionary Russian oil com-panles in their offices there. Prices are still very low. An

attractive St Petersburg 1913 £20 bond can be acquired for £22: because they are rarer, a £100 bond might cost £40. Condition these days is all important, but many still are mint.

Russian railway bonds are much collected. At Phillips' auction on October 7, a lot of 72 railway bonds - including Moscow-Smolensk 1869 and Black Sea-Kuban 1911 - sold for just over £500. Three city bonds, including City of Klev £100 of 1914, made less than

There is little to suggest that certificates will yet again become the centre of a speculative frenzy. But as capitalism takes hold in Russia, eastern Europe and even China, millions of potential new collec-tors of old shares and bonds will become available.

Even without this extra demand, though, old certificates remain intriguing, attractive and cheap mementoes of

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£25,000 to £49,999	6.35% Groupa
(10,000 to £24,999	605% Gross p.a
15,000 to [9.979	5 45% Gross put

OFFSHORE KEY NINETY

	SO CHAYS ROLICE OF CHARGE.
ı	CURRENT INTEREST RATES (VARIABLE)
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	£10,000 to £24,999 5 00% Growp a
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OFFSHORE KEY ACCESS

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£25,000 to £49,999	5 55% GOMPA
£10,000 to £24,999	5 IO's Gross is
(5,000 to (9,999	470% Growp.a

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Where the Revenue is wrong

In 1993/94, I had capital gains of £6,878 and losses of £2,208, all after appropriate indexation. In other words, I was £1,130 below my annual CCT allowance of £5,800. Thus, I reported chargeable gains of £5,800 or less". But I am not clear, after reading several tax handbooks, whether I can carry the £1,130 forward to

future years.

On the basic point, the Revenue maintains steadfastly that tbe answer is no. But we (and other experts) believe that the House of Lords will one day confirm our reading of the law - namely, that the answer is a qualified yes (depending upon the amounts of the individual allowable losses).

The practical problem is that few taxpayers can afford to fight the Revenue up to the House of Lords in order to establish what the law really is (as distinct from what the Revenue says it is).

A subsidiary point arises if any part of your "losses of any part of your "losses of £2,208" relates to disposals after November 29 1993. If there were any (apart from disposals which produced a chargeable gain after indexation relief), you might like to come back to us with the full foots figures and dates facts, figures and dates because the carry-forward rules for indexation losses are different from those for allow-

So far as we know, the Revenue's views on carrying forward 1993-94 indexation losses

to 1994-95 (only) are the same as our own: it is only on the carrying forward of allowable losses that we differ (and have indeed differed since 1965).

Challenging an assessment

My company vehicle was bought new in October 1991 for £16,000 at a time when the list price was £19,750. My tax inspector bas now issued revised assessments for the

past three tax years. He maintains that the discount was given at the individual dealer's discretion, and says dealer discounts are not taken into account when calculating the market value for

tax assessment purposes.

Can I challenge him? I believe many company car drivers may be in a similar position.

You really have no hope of success in your appeals with-out professional assistance. You must also be prepared to go to the Housa of Lords because the Revenue is virtually certain to refuse to accept defeat before the Special Commissioners, the High Court or the Court of Appeal.

The first step is probably a talk with the company's auditors or tax advisers. You might well decide that the cost of a successful appeal would proba-bly exceed the amount of tax at stake.

It is on that basis, of course,



No legal responsibility can be accepted by the Financial Times for the answers given in many columns. All equities will be answered by post as acon as possible.

that the Revenue wins most of its battles with taxpayers for, despite the Taxpayer's Charter, it uses its financial strength to discourage objections to its

No tax on money gifts

My question concerns inheri-tance and capital gains tax. Can my husband and I give

common sense tells me this cannot be true. After all, it is our money and tax was paid when it was earned.

If you give shares etc to your children, you will be liahle to pay CGT as though you had sold them to the children at market value. But there will be no CGT on gifts of money (sterling). In eithar case, though, there could be an IHT liability if you were to die within tha following seven

Ask your tax office for the free pamphlets CGT14 (Capital gains tax: an introduction) and IR45 (What happens when

someone dies). We take it all your children are over 18. If not, their income from any gifts could be taxable as though it were your own.

Month	1982	1983	1984	1985	1986	1987	1986
January	-	1.755	1.670	1.590	1.507	1.450	1.404
February	_	1.748	1.663	1.577	1.501	1.444	1.396
March	1.825	1.745	1.658	1,562	1.499	1.441	1.393
April	1.789	1,720	1.636	1.530	1.485	1.424	1.37
May	1,776	1.713	1.630	1.523	1.482	1.423	1.365
June	1.772	1,709	1.626	1.520	1.483	1.423	1.360
July	1,771	1.700	1.627	1.523	1.487	1.424	1.359
August	1.770	1.692	1.612	1.519	1.482	1.420	1.344
September	. 1.772	1.685	1.609	1.519	1.475	1.416	1.338
October	1.763	1.679	1.599	1,517	1.473	1.409	1.324
November	1.754	1.673	1.594	1.512	1.460	1.402	1.318
December	1.757	1.669	1.596	1.510	1.456	1.404	1.315
Month	1989	1990	19	91 1	992	1993	1994

Month	1989	1990	1991	1992	1993	1994	
January	1.306	1.213	1.114	1.069	1.051	1.026	
February	1.297	1.206	1.108	1.064	1.045	1.020	
March	1.291	1.194	1.104	1.061	1.041	1.016	
April	1.269	1.159	1.089	1.045	1.031	1.006	
May	1.261	1.149	1.036	1.041	1.028	1.002	
June	1.256	1.144	1.081	1.041	1.028	1.002	
July	1.255	1.144	1.084	1.045	1.031	1.007	
August	1.252	1.132	1.081	1.044	1.026	1.002	
September	1.244	1.121	1.077	1.040	1.022		
October	1.234	1.113	1.073	1.036	1.023		
November	1.224	1.115	1.089	1.038	1.024		
December	1.221	1.116	1.069	1.042	1.022		

Source: Inland Revenue

Your CGT

indexation allowancea for assets sold in September. Multiply the original cost of the asset hy the figure for the month in which you bought it. Subtract the result from the proceeds of your sale; the balance will be your taxable gain or loss. Suppose you bought shares for £6,000 in September 1985 and sold them in Septem-

The table shows CGT ber 1994 for £13,000. Multiplying the original cost by the September 1985 figure of 1.519 gives a total of £9,114. Snbtracting that from £13,000 gives a capital gain of £3,886, which is within the CGT allowance of £5,800. If selling shares bought before April 6 1982, you should use

RPI in September was 145.0.

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foaming tankard. A dirndl-wearing

woman appeared in the other, clasp-

ing a white handkerchief. They

danced on the window-ledges to tra-

ditional Austrian tunes. Then, at 11.05, they went back in and the windows closed.

Such is life In Graz, Austria. These two near-lifesize figures per-form this glockenspiel show - one

of the most endearingly dotty in Europe - twice-daily at 11am and 6pm. For us foreigners, watching it is just one of those hizarre things

we do if we have arrived by design

or accident in Austria's second city. Graz, we soon discover, is a

charmer. It has a bewitching old

town and a no-less hewitching access to surrounding villages landscaped as if hy the production designer of *The Sound Of Music*.

I had driven to the city from Venice, just to have a roundabout

return route to England after the film festival Also, my Venice hote-

lier's wife came from Graz and had waxed poetic. I booked in at the

five-star Grand Hotel Wiesler,

which gazes across the pretty, fastflowing River Mur into the onion domes and steeples of the old town

and - swivel your eyes to the left

from the Wiesler bay window - up

at the majestic Schlossberg. This inner-city crag is studded with hits of history and architectural oddity.

including what may be the most

handsome clock tower in all the

boasts the eccentric dance: that is

down in the mazy town In Glocken-

spielplatz. The Schlossberg clock is

set into a tall creamy-white four-

sided tower and was huilt so that the time could he read across the

city, it was one of the landmarks

saved by the town - expensively -

when conquering Napoleon made

ransom demands. Graz also paid up

to save the elegant 115ft Glocken-

turm, across the way on the Schiossberg, with its four-ton Liesl

Graz is embossed with history. It spent 200 years holding out against the Turks. It was an imperial seat of

the Habsburgs from the 14th to 17th

centuries. Later it flourished in the 19tb century under Archduke

Johann, who has a fountain named

Yet grandeur in Graz jostles with

an endearing laidbackness. I

became convinced, as I puffed up

the Schlossberg and down again

and then wandered through the alte

stadt, that Napoleon would not have

bothered to raze the place anyway.

winding, imprecise lanes of the old

after him in the Hauptplatz.

German-speaking countries. This is not the timepiece that

t Ham the two tall mullioned windows

opened. A lederho-

sened man appeared in ooe, holding high a



The old town in Graz: grandeur there jostles with an endearing la

town match the winding, imprecise lines of the people's faces.

These are conservative Austrians lost in a provincial centre closer to the wilds of alpine Italy, and to "the former Yugoslavia", than to vibrant Vienna. Walking the time-warped streets, you find yourself in a waking sleep from which you are aroused now and then only by the shrill alarm of a trolley-car, that slient pantber of the streets, as it all but runs you down in the middle of the road. A Graz citizen once saved my life by hissing a belpful "Ach-

tung! The old town is a preserved marvel. In the pedestrianised main street, the Herrengasse, every building has its own history or aesthetic signature. Seek out Number Three, the "Painted House", its façade a riot of 18th century frescoes. Check out the Renaissance Landhaus, with and next door the Landes-Zeughaus (provincial arsenal) with its 16th-17th century armour and weaponry collection: enough guns and swords (30,000) to stock a Hollywood history epic.

And around the Herrengasse, take in the baroquely stuccoed Haus Luegg and the threadwork of medieval streets around the Gothic Franziskanerkirche (Franciscan church).

its ornate Italian-style courtyard: For still-bungry culture vultures there is the Landesmuseum, stuffed with Brueghels and Cranachs, and with furniture and objects dating back to the middle ages.

Then take an afternoon off to leave the city altogether. We are of course in Styria - Austrian, "Steiermark" - wbere you expect Julie Andrews to prance over every hill. Drive out to Thal, the nearest truly rural village, and you have seldom seen anything so shimmeringly beautiful. The air is clear. The grass is a hallucinatory green, Cows and horses dapple the flanks of rolling hills. Plum and chestnut trees sway in late September under the weight

of late-summer produce.

I was lured to Thal by reports of a strange and beautiful church. The Ernst Fuchs-designed chapel, cresting a gentle bill opposite Thal's only school, is indeed a stunner. It

is huilt in azure-blue corrugated metal, its bold, even kitschy postmodernism - the style is officially litled "Phantastische Realismus" is all the more striking for being attached to a traditional Austrian

style spire. Inside, Fuchs has had several hrainstorms. The floor and sents are impastoed with pobbles, making the interior resemble some rioting country stream-hed. Meanwhile rainbow colours beam from the ceil. ing and mystical murals (Samuel Palmer out of Holman Hunt) brood around the altar.

This is not the only laminark Thal offers if you come out of the church and stare over the hills you may see, a mile away, a white threestorey house without a number on it or any distinguishing mark. It sits across from a hill covered with eastle ruins. It is Arnold Schwarzenegger's hoyhood home. Not a lot of people know this: do not tell Arnold, if you meet him, that I sent

Every summer, Thal's large lake, the Thalersee, swarms with visitors and is heaven to sit by in almost empty September. You clutch a beer and gaze at the ducks. You think that, good heavens, this was when young Master S first started limber-ing up to become a bodybuilder. Back in Graz, the sky is salmon-

pink and copper over the nld town and I saunter out fur supper. Seduced by location, I make the mistake of eating at the foot of the stone stalrway zig-cagging up the Schlossherg's sheer west cliff. The Cafe Tuurist Trap, as we

shall call it, serves a piece of rancid shoc leather "in the Styrian style". This means in this case, wrapped in a garlicky-sweet sauce of rare repulsiveness. Good Styrian food is available, though, in other cases and restaurants: une heing the Hof

And you can always look forward to the Hotel Wiesler's buffel breakfast: an outrageous largesse of bacon, eggs, haoi, sansage-ment, cheeses, Danish postries, cereals, yoghurts...Later. too. I have a Wiesler club sandwich, which is outstanding. If you have a dressed salad with it you can taste the local speciality, pumpkinseed oil. I am beginning to like Graz, But

ob dear, it is time to go. The Wiesler will soon be valet-ing forth my car. I go out for one last mentalsnapshot walk along the Herrengasse and then back over the purling Mur to the Hotel.

I have nearly lost my life to several trams. I have frequently lost my breath climbing up Navarone-like cliffs. I cannot understand German, at least as spoken with a Styrian accent. I have no regrets; I shall be returning to Graz as soon as

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Minding Your Own Business

he meeting was protracted, tense and in need of light relief. It eventually arrived. A noisy, difficult shop steward suddenly got up and walked out saying he wanted no more plans to introduce an employee ownership scheme into the bus Company.
"Unfortunately in the heat of

the moment he took the wrong door and ended up in the broom cuphoard," said Nigel Mason, a director with Capital Strategies.

"The incident broke the ice perfectly. There was instant hilarity and the atmosphere changed completely. A few minules later the man emerged from the cuphoard in a different frame of mind and negotiations were resumed. He eventually put far more than the minimum investment into the scheme."

Mason, 35, and his team of eight at Capital Strategies specialise in employee buy-outs and introducing employee share ownership plans (Esops) into existing organisations. In spite of being small they claim to be leaders in the field.

Since the company started in January 1992. Mason and his team have arranged Esops for organisations ranging from a Scottish paper-making com-pany with 1,400 employees to a 10-man Midlands retailing operation in which the hushand and wife owners wished to relinquish control gradually. They have advised 10 hus companies on Esop schemes and completed schemes with six of them. Since the beginning of this year the company,

which has offices in a former

print and board warehouse in Shoreditch, London, has followed a slightly different tack. "We realised we had pretty well exhausted the hus company market. Our experience of the private sector showed it to be more diffuse and difficult to find the right sort of compa-nies to target than public sector organisations that were making the transition into the private sector, so we have been looking hard at the latter." said Leon Boros, finance direc-

tor. Boros, 32, and his co-director Ann Tyler, 36, a lawyer, decided to direct the fourth memher of the fee-earning

team, Simon Smith, towards a six-month marketing exercise developing husiness in the public sector. The company could afford this. It had a capital base of £71,000, no borrowings and a profit at the last year end of almost £100,000 on a

turnover of £400,000. The company believes the exercise has paid off. Smith has been looking hard at local government services such as waste disposal, accountancy and financial services, ground maintenance and architectural and planning services, all of which are now exposed to com-petitive tender. A solution for many is to arrange employee huy-outs or joint ventures with employees.

Smith is about to conclude a contract for Capital Strategies to advise one of the 25 franchisees that will eventually manage segments of the railway system and, recently, he and Tyler spent two days at Hem Hill colliery, Stoke-on-Trent, conducting interviews with 150 miners and surface workers for Coal Investments. which leases four mines from British Coal.

Capital Strategies is about to recruit two new fee-earning staff because of Smith's work. His efforts, which were nonfee-earning, mean that profits

are likely to dip helow the £100,000 level this year.

"This was to be expected. We now have more support staff and a higher cost hase from which to calculate. From our experiences in this field before we came together we all know that the likely trading pattern means there will be one good year and one had year," said

The company's policy is to plough back profits at the end of the year. Its main obligation is to pay a dividend on the £35,000 working capital put up initially hy Scott Bader, a longestablished employee-owned business based in Northamp-tonshire that manufactures synthetic resins.

Scott Bader is chaired by a former joint managing director of British Rail, Jim O'Brien, who is the non-executive chairman of, and an occasional part-time consultant for, Capi-tal Strategies.

tal Strategies.

The four helieve employee ownership will grow. "In the US there are 10.00) Esop representing 12 per cent of the private sector workforce. In this country, with an economy that works in a broadly comparable way in the mid-sized sector. there are about 150 companies with more than 50 employees that are more than 30 per cent

owned by employees," said

Mason said that in the US figures showed the investment performance of quoted compa-nies, which were more than 10 per cent employee-owned, outperformed the main Standard & Poor's US index by more than 25 per cent.

Capital Strategies operates like any other consultant, charging negotiated fees. For some jobs however they have to accept work on a contingency basis, which means "no success: no fee"

"Our appetite for this kind of more risky work is limited, but we have to be competitive with some of the big city accountancy firms who will sometimes take on work of this sort on a contingency basis," Boros said. "We have come to live with risk."

"However, as we grow, while the risks associated with individual hig projects will get greater, the spread of our port-folio will reduce overall risk." Capital Strategies has

recently attracted an investment of £150,000 in the company from the Baxi Partnership, the UK's biggest employee-owned manufacturing company.

Between them Baxi and

Scott Bader jointly own 32 per cent of the equity. In addition Baxi has advanced the money to set up :1 £156,000 revolving loan fund to assist manager and employees to investigate the possibility of employee huy-outs using the services of Capital Strategies.

The other important activity is the establishment of a £20m venture capital fund by means of which institutions would be able to invest in employee-

owned companies.
"We have found part of the finance and we are looking for a professional fund manager to

administer it," Mason said.
"This will be the first fund in the UK dedicated to employee buy-outs, and of course the plan is that we shall be able to refer Capital Strategies' clients to it. It's all part of our plan to convince people that in the UK Esops are no table."

Capitol Strategies, 59 Charlotte Road, Landon ECA SQT. Tel: 071-613 3745.

Clive Fewins

TRAVEL

Camping it up in relaxed, small-town America

Nicholas Woodsworth enjoys the friendliness of Cape Cod

young, muscular men almost uniformly outfitted in close-

cropped hair, moustaches, loose khaki shorts and heavy

construction boots. Occasion-

ally an outrageously camp transvestite in wig and gold lamé dress would saunter past. Once I saw a group of four men in work boots and skirts

trudge by. And almost as numerous as the male couples

were the female couples; heavy boots for many of the younger

women, too, were de rigueur. "Deride us at your peril." they

seemed to warn. "We are not

as defenceless as you might

But in Provincetown, gay

capital of the east coast US,

such statements are more a question of fashion than body

politics. What impressed me

most about the place was its relaxed, friendly manner, the

lack of stress which is urban America'a invisible backdrop.

Saturated in an atmosphere of sexual tolerance, Province-

town seems to have shucked

off the enveloping fear of potential aggression - not just

sexual, but physical, racial,

and social as well - that is

never far from the surface in America's public life. Gay or

straight, most visitors find

Provincetown, to use that

mnch-laboured word, libera-

ting.
But America remains Amer-

ica, and sexual liberation has

its own looniness and trage-

dies. That evening I attended a "Celebration of Life" at the

bouse, a large and lovely old wooden church in the centre of Provincetown. This was just

the curtain raiser to a weekend's worth of festivities, a

defiant kick in the teeth to Aids, the disease that has car-ried off a good proportion of

Provincetown's gay social and

business community. Where

gays have disappeared, lesbi-ans have tended to take their place. What, I wondered, would

earlier and sterner generations

of Puritan New England

church-goers have made of the proceedings? Wild Women of All Sexes, a

female percussion ensemble,

welcomed celebrants with a

feverish tattoo of African drun

rhythms as they filed into church pews. A long string of coloured ribbons, on each of

which we had been invited to write the name of someone we loved, was stretched over the

pulpit. The Reverend Jennifer Justice, an exuberant young

clergywoman, delivered open-ing words on the themes of peace, joy, hope, love and the affirmation of life.

hen came a medley of

songs by the Fabu-lous Dyketones, four butch-looking, acous-

was on US Highway 6, 10 miles out on Cape Cod and beading eastwards off the end of the continent. Looking down at my speedometer. I realised I was driving too fast. Hair-whippingly, aerial-bendingly, licence-confiscatingly fast. I was racing to land'a end. to Provincetown. Why? In some futile way. I was trying to outrun America.

I had been on a tour of New England, surely the most civilised place in the US. There is some northern level-headedness here, some Yankee scepticism that wards off the worst of the nation's looniness. This was not drug-crazed Miami, gun-ridden Texas, or freeway-maddened Los Angeles. This was the ocean playground of Cape Cod a few days after Labor Day. The crowds had gooe bome, the end-of-summer weather was warm, breezy and luminous, and I felt as if I were

playing truant from school. And I was, in fact, bent on avoidance of some sort. After a few days on the road I was feeling numbed. I was fazed by America's vast appetites, by its endless obsessions. For win-ning. For snack-food. For real estate. For guns. For fame. For immoderate, indiscriminate and violent behaviour of all kinds. f wanted to get away.

ven here, far out in the Atlantic Ocean on this curving spit of came to the place on US 6 where Barnstable sat to my left and Hyannis Port directly opposite it on my right, I gave the accelerator a vigorous stab

and surged ahead.

I felt as if I were running a gauntlet. Both places are settings of modern American mythology, Barnstable being the beach resort town gripped by submarine terror in the movie *Jaws*, Hyannis Port being the headquarters of the Kennedy clan.

Both Barnstable and Hyannis Port stories reach a climax with the central character shark in one case and American president in the other having their heads blown open.

It seems a too common ending to American fables these days. It was only in the little town of Wellfleet, 50 miles out on the Cape and well into the protected Cape Cod National Seashore area that I began to slow down and calm down. Commercially, Cape Cod leans pretty heavily on its Puritan-forefathers' past. But out here there was less development - fewer up-market, colonial-style bedand-breakfaats displaying American flags and vengeful bald eagles, fewer "shoppes" selling over-priced antiques,

blown glass, old-tyme fudge.
In Wellfleet, I sat in the sun on the wooden porch steps of a small general store, sniffed the sea air, and watched sunburnt kids in shorts zoom up on bicy-cles, braking in the gravel in front of the store in a small cloud of dust. It felt welcom-

childhood summers in Provincetown. "P-town", as locals know it, is not big; its year-round population of 3,500 lives for the most part on two long streets running parallel to the sea at the very tip of the Cape. But Provincetown is not a year-round kind of place: in the summer season its population swells to more than 50,000. Even now with the bolidays over, one of the last fine weekends of the summer had drawn

crowds to the Cape. Nor was there anything conventional about these crowds. Provincetown is the only place l have visited where there are more single-sex couples wandering along hand-in-band

than heterosexual couples. Off I ambled down Commercial Street, through Provincetown's motley collection of weathered grey clapboard Cape bouses, smart boutiques, art galleries, bars, restaurants, tacky tourist shops and fine old mansions. I was not sure what to make of it all. There were great numbers of

tically-correct young women in black leather jackets; Marjorie Conn and a lesbian love poem to Eleanor Roosevelt; stetson-hatted West End Wendy, who yodeled her way through When a Congirl is Happy; Betsy Sykes, a Buddhist who distributed paper dragon stamps and instructions on how to burn ing, something from my own small-town childhood sumthem while meditating; Proud Mary, a young man who did a drag queen strip while walking There was nothing from my down the nave to the altar. could go on, but you have probably got the general idea by now.

I was not entirely sure that I had: I walked out of church with my head reeling. What had lead historic Provincetown, the place where the Mayflower's Pilgrim Fathers had made first landfall before moving on to Plymouth Rock, to such a curious pass? Surely one had a right to expect a town of unbendingly conservative moral fibre. I decided to consult a specialist.

Leona Egan, a writer and local historian, laughed at the idea of a conventional Provincetown when I met her in her old book and antique shop, The Ironmonger's. She moved to Provincetown for its flamboy-ance 17 years ago, she told me, but it was just as flamboyant a place 70 or 170 years ago as it is now. Gays and lesbians are just the latest in a long line of bohemians and non-conventionalists to adopt the tip of Cape Cod as their own.



Provincetown, Cape Cod: in the summer season its 3,500 population swells to more than 50,000

"It has something to do with being way out on the periphery, away from the middle class mainstream of American life," she told me. "If you come out this far, you are looking for

something different."

If Provincetown was traditionally cut off from the mainland by 60 miles of sand dunes and poor tracks, Egan explained, its role as an international fishing port in the mid-1800s, when it pisyed host to ships from many countries,

made it all the more liberal, cosmopolitan and tolerant. Economic decline as a port at the end of the 1800s did not spell its end. While other small towns along the New England oast - Newport, Nantucket, Martha's Vineyard, Bar Harbour - became select summer resorts for the wealthy and influential, Provincetown's isolation and cheap rents drew artists and intellectuals looking for escape.

O'Neill was probably the town's most famous resident, but be was not the first; a major school of American impressionist art had establisbed itself bere before the turn of the century. Edmund Wilson wrote here in the 1920s, John Dos Passos in the '30s, Tennessee Williams in the '40s. But Provincetown has never admired pretensions or highbrow snootiness; along with the bohemians came yearly The playwright Eugene waves of summer tourists, the

source of Provincetown's liveli-

"One must never assume that the art gallery assistant or the waitress who serves you are simply what they appear to be," Egan warned. "All sorts of talented people find endless inspiration here and do whatever they can to stay on. This is not just a gay centre, it is one of the most beautiful coasts in America."

And so it is. While most of the town gathered at the boat

slip to celebrate the Swim for a posse of armed state troopers checking out the Festival of Life, a mass swim across Provincetown harbour, I celebrated

the beauty of Cape Cod with a bicycle ride past high sand dunes and sedge-lined tidal Bike rides and summer days always remind me of simpler, long-gone times. So relaxed did I become, so forgetful of America's extraordinary extremes,

that by sunset I almost forgot

where I was. Only when I

arrived at Herring Cove to find

the Spirit of Happiness - a sort of new-age beach party with drums, costumes and a lot of bugging - was I reminded.

Nicholas Woodsworth travelled to Boston with Virgin Airlines (tel: 0293-747747), which offers off-peak Apex return fares

there for £169. In Boston he

stayed at the Hyatt Harborside

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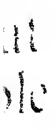
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oes France's oldest win region need an enfont terrible? Almost cer-

tainly not, but never nind, Michel Chapoutier shows no

are based, has become distinctly

The tronhle with young Chapoutier, who took over this substantial family business from his father as

recently as 1989, is that what he

makes up for lo fervour, he lacks in statesmanship. He is dimiontive,

wears a swot's pehhle glasses, has a rare passion for irony and visibly tries, invariably unsuccessfully, to

He is ntterly besotted with hio-

dynamism, the Steiner-inspired farming techniques which involve

control his tongue.

Just a little local difficulty

Jancis Robinson reports on a sour taste in the northern Rhône

signs of either growing np or calm-ing down, which makes life for the rest of us extremely entertaining.
His neighbouring vine growers on the famous, vine-covered hill of Hermitage in the northern Rhône regenerating the soil in harmony with astrology. He is also con-Valley just south of Lyons are less amused. Indeed the atmosphere in the tiny, wine-dominated town of vinced that low yields are the key to wine quality, and usually accom-panies his tasting notes with impressively low hectolitre-per-Tain l'Hermltage, where all but one of the famous names of the Rhône

tare statistics. Michel Chapontier is equally convinced, however, that most other producers in the northern Rhône (including his father Max) have got it wrong, and rarely misses an

opportunity to point this out.

Things came to a head this summer when Robert Parker, the infineotial American wine critic, clearly much taken with the intensely concentrated "new" Chapoutier style printed Michel's complaints that during the difficult, wet 1993 grow-

ing season the chemicals used by neighbouring vine-growers affected the margins of his vineyards, leav-ing them voluerable to the fungal diseases which ravaged many nonhiodynamic vineyards.

The result was an intemperate letter to Parker from the crème de la crème of Hermitage, including Gérard Jaboulet, Chave, and Delas, vilifying Chapoutier, claiming that his Hermitage vineyard had in fact been treated with weedkiller, and had been sprayed by helicopter. These other growers also included some figures which suggested that Chapontier's average yields were considerably higher than he

Now Michel Chapontier has

issued his response in this dispute between the most prominent inhabitants of Tain l'Hermitage (popula-tion 5,000), all of whom work cheek by jowl.

He must have chuckled at the helicopter accusation, for of course there is nothing essentially antiorganic about heli-spraying – indeed the fanatical Lalon Bize-Leroy, "the queen of Burgundy", applied several tisanes by helicopter to her world-famous vineyards last year.

The weedkiller claim is furiously rejected hy Chapontier and described ss one of the most seri-ons. His reply also contains some laborious play with statistics, notahly with red and white wine areas

as factors, to demonstrate that Chapoutier'a yields in Hermitage were a relatively modest 33.15 hl/ha in 1993 (in Châteauneuf-dn-Pape just

20.46 hl/ha). The rain, which also dogged this year's harvest in the northern Rhône, is unlikely to wash away the issues involved in this dispute, however. Gérard Chave describes Chapoutier's response as "Unbe-lievable. I have never seen any-thing like this in the whole of my professional life."

Chapontier acknowledges in his reply that he is widely criticised for being young and passionate, and claims that it is his youth which spurs him to take a long-term view, embracing the methods and low yields which he believes will preserve the good name of France's great wine appellations.

What is interesting, he concludes, is to ponder the real motivation of his angry neighbours? With the irritating tunnel vision of any young revolutionary, he snggests they are propelled by fear of these "new" techniques, and the sacri-fices that will be necessary to

implement them. In modern viticulture, radicalism means a return to traditional roots, a rejection of the commercial agrochemistry which has transformed vineyards in the last three decades. winemaking too Chapontier is notable for an attachment to ancient methods, particularly the mnch-photographed twice-daily pigeage, during which fuur muscley legs stomp down grape skins in the firm's unfashionably open-topped,

firm's unfashionably open-topped, wooden fermentation vats.

Certainly the new Chapoutier wines, from 1989 onwards, are impressive. They are refreshingly wild and intense (just like their maker), the sort of dense essences that require good cellaring and careful handling.

And they are available in the sort

And they are available in the sort of quantities that propel oil but the most limited bottlings into major diatribution (Marks and Spencer even tried its hand with a Chapoutier Rasteau but it was far too risque for it). Majestlc, Oddbins, Thresher. Adnams of Southwold, Averys of Bristol, Gauntleys of Nottingham, Justerlni & Brooks of London SW1 and Edinburgh and Tanners of Shrewshury all stock some wines from the new regime.

What young Chapoutier needs is an adviser, less a Max Clifford pub-licist than Marcel Guigal, the softly spoken wizard of Cote-Rutle 40 minntes' drive upriver. "Calm down," has been his advice to all.

Now for the messy bit. Mea-

sure the oil luto the 4pt oven-

proof bowl and swirl to coat

the interior all over. Lift the

chicken out of the yoghurt

mixture and reserve it, Gradually add one-third to at most a

half of the parhoiled and drained rice to the yoghurt,

mixing it in gently but thoroughly with one hand.

Tip this creamy-textured,

pale yellow mixture into the

olled bowl. The aim now is to

line the sides of the bowl entirely with yellow rice, and to pile the dry white rice into the centre. Do lt gradually.

First work the yellow rice just

a little way up the sides of the

bowl with one band, then

sprinkle some dry white rice

into the centre with the other

hand. Repeat. With a little

encouragement, as the white

rice is added the yellow rice

When the howl is about half

full put the chicken in a layer

over the rice taking care to

keep It within a perimeter of

yellow rice. Spread the spinach

over the meat, again leaving a

ribbon of yellow rice round the

edge. Then cootinue drawing

the yellow rice up round the

aides of the bowl and fill the

centre with the rest of the white rice. This gets easier

Level the top. Cover closely

with well-oiled kitchen foil and

bake on a baking trav at 400°F.

200°C, gas mark 6 for two

hours, turning the howl as nec-

remove the bowl from the

oven. Lift the foil hriefly, dot

the rice with flakes of hutter

and replace the foil. The chil-

led fat will arrest cooking and,

as it melts and seeps into the

rice and down the sides of the

bowl, it will looseo the mould

a palette knife or other long flexible blade between the rice

and the edge of the howl.

Cover the bowl with a large

warmed plate (a completely flat flan plate is hest), invert and the bowl should lift off

The beautiful layering will be revealed wheo the rice

mould is cut like a cake for

serving. First the crunchy outer shell of golden crust,

then the lining of cakey tex-

tured pale saffron rice with

yoghurt, and finally a central

core of fragrant, free-running

pure white grains. All this with layers of tender chicken

and sweet green spinach run-

A good selection of Iranian

produce is available from Super Bahar, 349A Kensington High

ning across it.

Street, London W.S.

cleanly.

After five to 10 minutes run

making it easier to turn out.

When the rice is cooked

essary for an even tan.

with practice.

will rise up the sides.

Entertaining at home

How to give that perfect

Inviting friends for a meal? Chef and author Ken Hom has some tips for up-and-coming hosts

wenty years ago, when I was much vounger and more naiva, I entertained extravagantly, My dinner parties would have a minimum of 12 guests and no fewer than 12 courses. I would spend days preparing elaborate and obscure Chinese dishes.

I had much more time then and I had great pleasure and enjoyment preparing those meals. However, in the last eight years, with a beavy travel schedule and the pressures of a busy life, my style of entertaining bas changed radi-

Now, I usually have no more than six guests and just three courses. My friends enjoy these intimate dinners as much as my lavish spreads of the past. Here then, is how I entertain today, simply but still elegantly, keeping the following tips in mind:

■ Invite friends you really want to see. Spending three hours at the dinner table with good friends is my idea of hliss. Remember, conversation and mix is almost as important as food and wine.

Do not invite the same guests all the time, it is nice to mix and match your friends. Never have a party with all the guests from the same profesion, nothing is worse than talking shop all evening.

Do not skimp, huy the best ingredients and have good wines. This is vital if you have only three courses. Your chances of success are greater if your dishes are memorable. Do not attempt new dishes, always cntcrtain with tried and true recipes or dishea which you feel comfortable with. You do not need the additional stress of knowing whether the dish will he good

However, you should feel free to mix and match dishes from different cuislnes. For example, you could hegin with a Chinese soup, then serve a lovely roast chicken with basmati rice, and perhaps a Thai

stir-fry vegetable dish. Avoid lrying to impress your guests. I always think it is grander to make delicious simple food than to present pretentious mediocre disbes. There is oo need to stick too rigidly to other people's rules

about food, if you like fish with

red wine, then serve lt as such. Remember to make dishes within the realm of home cooks. Chefs apart, I do not think your guests should expect you to be proficient in restaurant cooking. If you are making a Chinese meal, do not make more than two stir-fry dishes at any one meal. There are many recipes in the Chi-nese repertoire that are braised dishes, steamed, etc. and many can be prepared ahead of time. Light meals are usually the best remembered ones. That means light or no sauces, avoid red meats, stick to fish or a heavy meal which can stay with you for the whole night. Although I rarely use a microwave to cook, I have discovered that it does wonders to fish. It is as good as steaming

the fish in the wok. Soups, especially good ones are an elegant opening. I like them because I can make them days, even a week ahead. They freeze extremely well and reheat beautifully. If you like cream soups, add the cream at

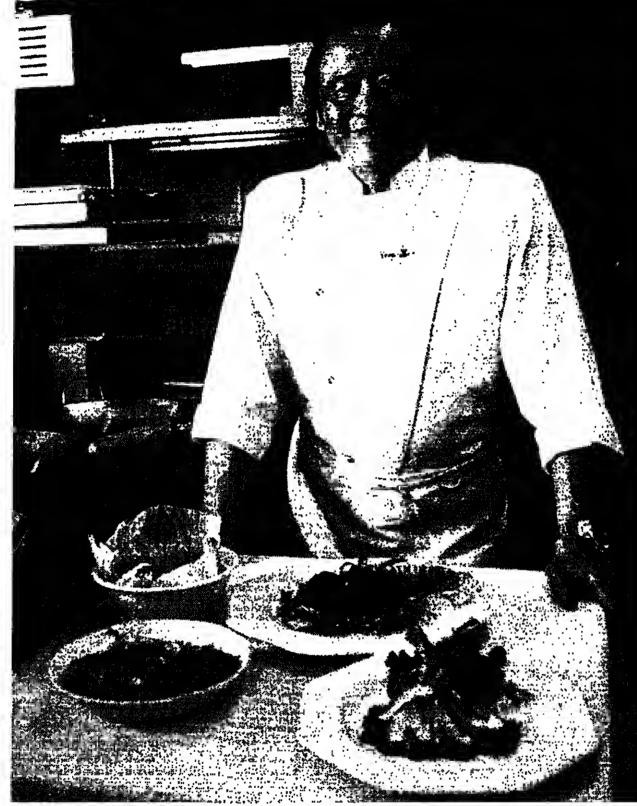
the last moment.

■ Give your dinner a few moments of thought before you plan it. All too often, home cooks plunge into organising a dinner party without thought to the halance of the meal, logistics, etc. Think about how you would feel as a guest at this dinner. If your instincts tell you that the dinner will he good, chances are it will he. Start the evening with champagne, hubbles are always a festive start to any meal. It immediately puts everyone in a good mood and is an important factor that will determine how the rest of the

evening will flow.

Buy the best - 1 especially like Louis Roederer - and, when it is special occasion and I feel flush, f will have a bottle of Roederer Cristal. By the way, I have found for my Chinese dinner parties that champagne is the perfect drink throughout the meal. The acid and sweetness seems to halance out the oils and flavours that one finds in Chinese cook-

■ Do not cluttar the tahla with a huge bouquet. Nothing is worse than trying to converse with flowers in your face. Place one flower at each table setting for a nicer and more



elegant effect

Finally, naver panic. If something does not turn out the way you thought it should, do not mention it. Patch it up as best as you can, smile, have another glass of champagne and enjoy yourself.

Here are two recipes from a typical dinner party at my house, they are easy to make and taste wonderful: DOUBLE STEAMED

MUSHROOM SOUP Double steaming involves an unusual method of making a rich hut clear soup. You must first prepare the soup in its own covered pot, so that it is producing its own steam. Then you place it on a rack

over boiling water in another pot, cover the pot tightly and steam the soup for three hours. This technique is usually reserved for the finest ingredi-ants with the most delicate flavours and textures. Steaming is a gentle cooking method

that works best with such

foods. In this soup, the highest quality of dried mushrooms that money can huy are used. They should he thick so that they can absorb all the flavours from the long steaming process. The result is a clear, concentrated and rich consommé redolent of the essence of mushroom. All the work can be done in advance. in fact, the soup can even be frozen a week ahead and re-heated. This soup would make an earthy and elegant opener for any meal.

50g/2oz finest quality dried Chinese black mushrooms; 900ml/2 pints/4 cups chicken stock; salt to taste. Soak the mushrooms in warm water for 20 minutes. Then drain them and squeeze out the excess liquid. Remove and

discard the stems. Bring the chicken stock to a boll in a large pot. Pour the stock and tha mushrooms into a pot or heatproof soup tureen. (This is the first steaming process.) Cover the pot or tureen and set it on a rack inside a large steamer. Keep this larger wok or pot tightly closed. Steam continuously for three hours. Replenish the hot water

from time to time as necessary. Adjust the seasoning with salt to taste and serve at once or allow it to cool thoroughly and freeze until it is needed. QUICK STEAMED SALMON FILLETS

You can steam this dish in a wok or microwave. It cooks to 11/slbs/700g salmon fillets; 1 teaspoon salt: 1/4 teaspoon freshly ground white pepper; 1 tablespoon Chinese Sh rice wine or dry sherry; 1 tablespoon light soy sauce; 3 tahlespoons fresh chives, finely chopped; 3 spring onions, finely chopped: 2 teaspoons ginger, finely chopped;

nnt) oll: 2 teaspoons sesame Rub the salmon fillets evenly with salt and pepper, pour on the rice wine and cover tightly

with plastic wrap. Prepare the rest of the ingredients. Cook the salmon in the microwave oven at 100 per cent for 3-5 minutes, depending on lts thickness. The salmon is done when it feels firm and not spongy. Remove and let sit for

three minutes. In the wok, combine the two oils and heat. While the oil is heating, sprinkle the salmon with the soy sauca, chives spring onlons and ginger. When the oils begin to smoke, pour this over the top, it should sizzle and be served at

■ Ken Hom's Chinese Kitchen is published by Pavilion Books (£17.99 in hardback, 200 pages). His restourant, Imperial City, is located in The Royal Exchange, Cornhill

tow, in time for pre-dinner drinks." These questions and answers have now been compiled in a hook, Cher Albert (Pavilion,

bring them to Le Gavroche (his

restourant) of 3pm, then go

shopping, toke o bath, moke

yourself even more beoutiful and return to Le Gavroche at

7.30pm, with your husband in

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Fragrant and sweet

The second part of a rice treat

ast week, I talked it in cold waler. about different types of rice with Margaret Shaida, an Oxfordshire-born journalist and historian who married an Iranian and lived in her hushand's homeland for 25 years.

Here is the second rice dish that Shaida cooked for me, said to have originated at court in Isfahan. Variations given in Shaida's hook, The Legendary Cuisine of Persia, due to be published by Penguin (£12) on November 3, include lamb with dried apricots, and duck with barberries or sour cherries.

BAKED SAFFRON RICE WITH CHICKEN AND SPINACH

A 4pt round ovenproof bowl is needed for cooking this dish. A Pyrex mixing bowl is ideal as it enables you to check that the crust is turning golden all over as it should. Iranians will wince at the unorthodoxy but two of the people who sampled this dish when I made it liked It best with a gravy spoonful or two of rich chicken broth

preferably in a rice colander to avoid compressing it, and rinse

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(serves 8)

table. 1lb dom siah or good quality basmati rice; 120z chicken

breast fillets (skinned and boned weight); 1%lh fresh spinach; 1 fat garlic clove crushed with a little salt; 7 fl oz plain yoghurt; 2 small eggs; a good pinch of saffron, pounded and soaked in scant 2 tablespoons boiling water; 3 fl oz sunflower or other light tasting vegetable oil; 3oz butter.

Cook the chicken a day ahead using the following method: Wrap each fillet separately in a double layer of food film, twisting the ends like a cracker and tying them with string. Drop the parcels into a pan of boiling water and cook at a bare simmer for 10 minutes. Lift the parcels out of the pan and leave for five minutes before unwrapping. Drain off the juices, cut the meat into large chunks and season with

salt and pepper. Beat the eggs with the yoghurt. Add the crushed garhe and cool saffron liquid. Stir in the chicken. Cover and

refrigerate overnight Next day, wash the rice under a cold running tap for several minutes. Then leave it to soak for three hours in 4pts cold water with three tablespoons salt.

Wash the spinach, strip off any tough atalks and cook the leaves until tender in the water that clings to it. Squeeze well to drain off as much liquid as possible, season lightly with salt and plenty of pepper and set aside to cool.

Bring 4pt water and three tablespoons salt to a rolling boil. Add the drained rice, bring back to the boil, cover and cook for no longer than two minutes before testing the grain. It should be soft on the outside and still firm (but not brittle) in tha centre. It may need half a minute or so more to reach this stage but probahly not much longer. Remember the grain will continue to soften as it ateams

Drain the parbolled rice,

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n the mail this week comes an impassioned, angry letter from a reader whose meal at the Blueprint Cafe, London SE1, was ruioed hecause oeighhouring diners made continuous use of mobile telephones. Britain has the highest con-

centration of mobile phones in Europe with 20 per 1,000 people. Although some restaurants, particularly in hotels, have a sign asking customers to leave phones with the receptionist, many do not and the problem is likely to get worse.

A bottle of pink champagne

is offered to the reader who proposes the best solution to this restaurant nuisance. And another hottle for the best oneliner with which to silence those who choose to use

Appetisers End the mobile menace

phones loudly and over-zeal-

ously in public places.
Nicholas Lander ■ P.J.'s Bar and Grill (52 Fulham Road, London, SW3, tel: 071-581 0025) is a lively nightspot which took over the site of one of the dullest pubs on tha Fulham Road. It serves decent food and wines with the accent

placed on the new world. P.J.'s latest veoture has been to seil a range of cask-strength malt whiskies hy the glass. There are seven in all, of two vintages of Knockdhu, a Speyside malt which has gone over to hottling only recently. The other five, however, were very fine: a 1984 Bladnoch with all the delicacy and ele-

gance of a Lowland malt; a 1979 Benrinnes with an aroma of toffee and hazeinuts; a fine 1973 Glenrothes which put me in mind of sponge cake; and a 1975 Ardbeg which was all you would expect from this great Islay – all lodine and new

The best of the lot was a 1965

Springhank from Campbaltown: the nose seemed one-dimensional and too strongly marked by a sherry butt, but the palate was wonderfully complex. Giles MacDonogh I love that mix of directness and scarcely-concealed irritatioo that French chef Albert Roux manages to convey in the London newspaper, the Even-ing Stondard, in his column

about food

read: "Dear Albert - How can I moke the definitive cooked English breakfast." Who, in England, needs to ask any Frenchman that?

tions to these cris de coeur are often charming and funny: "Dear Albert, I was as surprised as my husband was pleased when he came back from the pub with two pheasants and an unskinned hare. These dead answering readers' queries hout food. animals are now cluttering up It is the naff questions that my kitchen. What do I do?"

19.99, 128 pages) and provide a a very jolly read. Jill James

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Dangerous liaisons

Michael Thompson-Noel enjoys other people's affairs

ecil Parkinson, the Tory politi-cian, will hlush swell - to hear it, but his fame as an adulterer looks likely to ast, judged by his inclusion in Stephen Brook's witty and life-enhancing anthology of infidelities throughout the

The scope is broad. As the dust-jacket says: "The reader will find scenes of tenderness and of sorrow, of hitterness and of rage, of ecstasy and of farce... The depravities of ancient Rome are com-pounded by the exuberant

pha Davide

THE PENGUIN BOOK OF INFIDELITIES edited by Stephen Brook

Viking £17, 376 pages lust of the Earl of Rochester's poems... We learn of the exploits of such famous adulterers es James Roswell.

Lord Byron and Cecil Parkin-

Parkinson? You would have thought that interest in his homely little adultery with his homely former secretary, Sara Keays, which caused him to resign from the Thatcher goverument, had faded by now, given the tide of misbehaviour, in circles high and low, that has swamped us in the meantime. Yet here he is, accorded a spot in an all-time hit parade of bounders, seduc-ers and other sorts of heart-

Infidelity, says Brook, is dangerous, for it confounds the stable order. But it is also exhilarating, at least to those concerned. And it is certainly commonplace. A study of American marriage published seven years ago reckoned that half of all Americans have been adulterous at some time. Another study put the figure

With some exceptions, most societies take a dim view of adultery, though in most places female lapses tend to be punished more severely than male.

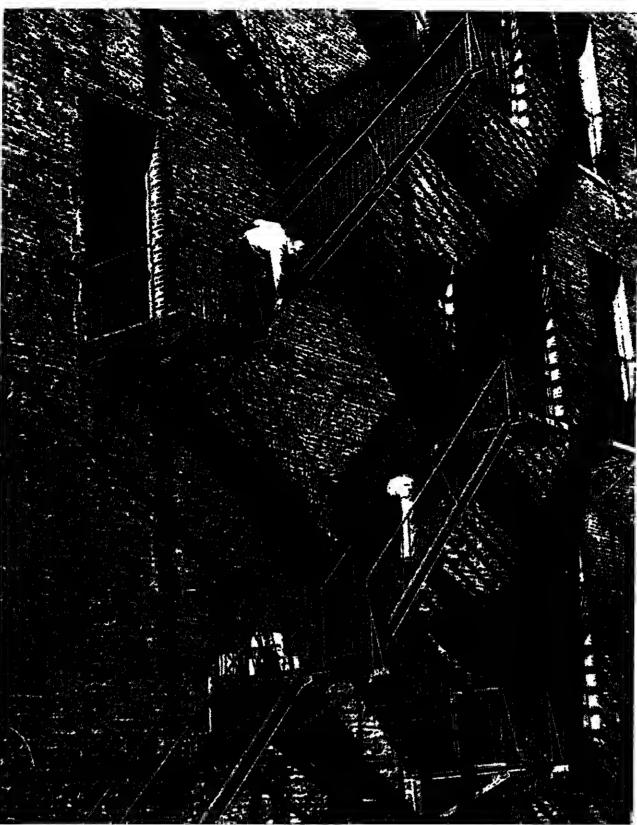
Almost all the writers you would hope to see represented in this anthology are represented, from Amis (both) to Boccaccio, Wilda and Wharton, Strindherg and Suctonius. But connoisseurs will notice several ohvious omissions. The reason, says Brook, is simply quality of writing. For example, both Henry Miller and Anais Nin are absent because he cannot bear their prose styles. On the other hand, "classic texts" of infidality, including Troilus and Cressida, Anna Karenina, Madame Bovory and the novels of Colette, are represented by substantial

There are plenty of jokes:
"You know, of course, that
tha Tasmanians, who nevar committed adultery, are now extinct" - Somerset Maugham. And plenty of surprises.

was especially captivated hy the notorious Miss Chudleigh, who fascinated the Earl of Bath, nearly married the Duke of Hamilton, went to a ball in a gauze dress and caught the eye of George II, secretly wed the future Earl of Bristol, conquered Frederick II, bigamously married the Duke of Kingston, inherited his fortune, retired to Russia and finished up in France, where she purchased a royal palace for £50,000.

She died in 1788, aged 68, after other love affairs. She was painted in her gauze dress, wearing a ravishing smirk. The dress was a single garment, quite transparent, and probably explained her career.

In company like that, Cecil Parkinson and his secretary coma across as very dismal



New York, 1949: photographer André Kertész, a former stockbroker, eschewed technical trickery and insisted he was an "ameteur" throughout his long career. Pierre Borham's study of Kertész's life and work (Little, Brown and Company £45, 367 pages) Illustrates his approach - which inspired

Lifting the lid on Sylvia Plain

With this morally challenging book, post-modern biography has come of age says Jackie Wullschlager

one of the loudest literary voices this century. In the icy winter of 1962-3. Sylvia Plath wrote her pitiless, death-obsessed Ariel poems, stuck her head in a gas oven and killed herself. Her words have reverberated ever since - "dying - is an art", "every woman adores a fascist" - and yet because they are so powerfully emo-tive, they have also been distorted,

misinterpreted, muffled. This book tells two tales: how Plath gained the courage to speak with this electrifying voice in the first place, the story of her life; and what her desire to interpret that voice reveals about our own culture - the story of her afterlife. It is a brilliant mix and a landmark in the history of biography.

Plath was a clean, golden-haired American girl with dark lipstick who came to England in the 1950s and married the poet Ted Hughes. She looked like an advertisement for soap powder, but beneath the gloss was a tormented, tempestuous woman who

was rarely nice to know. She broke up a family Christmas. stole food from other people's refriger- no post-war poet has expressed more the only explanation she says, for the

few yaars ago

Moslam friend

exploded on reading V.S. Nalpaul's

ators, fantasised about killing some schoolgirls who took flowers from a park. Her relationship with her mother was sick, and she devoured men for breakfast, writing afterwards of the "orange-juice-and-hroiledchicken" and "plain steak and pota-toes with nothing done to them taste" of the dull ones. Hughes by contrast was a giant who filled "that huge sad hole I felt in having no father." On their first meeting she bit him until he hled; monthe after he left her, she

It was Malcolm, who calls "her courage to be unpleasant", that made her a feminist heroine. "I see you have a concentration camp in your mind, too," Plath once told the poet George MacBeth. Hughes has described how she fought to find her authentic voice - beautiful, severe, glacial. Malcolm sees this as part of a key historical moment in which the "measy, shifty-eyed" 1950s generation finally threw off 19th century repression and embraced tha hrave new world of feminism, Vietnam protests and the civil rights movement.

Plath was the voice for the times:

isterium (the church's teach-

ing) has lost it many allies in

an age when anthority has

hecome synonymous with

It is this view of the church

that fuels Toibin's journey. He

marshalls events, characters

and rituals in order to vindi-

cate a pre-determined ideologi-

cal position: Catholicism pre-

pares the ground for the seeds of authoritarian regimes. By

mass produces disciples for the

The theory has been around

for soma time, but fails to churches and Slav pilgrimage

authoritarianism

latest despot.

eloquently the anxieties - womens' struggles, political tyranny and repression, psychological breakdown - of our century, But Plath's life was also emblematic, for she was the first great woman writer in creativity and domesticity who waged war. Jane Austen, Emily Brünte, George Eliot, Virginia Woolf, none attempted every-

THE SILENT WOMAN: SYLVIA PLATH AND TED HUGHES by Janet Malcolm Picadore £14.99, 215 pages

day family life. Plath, by contrast, fumed at being "a prisoner in this house, chained to the children," while Hughes swanned off. She wrote the Ariel poem in a blaze of domestic misery and marital break-up.

In the private lives obsession of the 1980s and '90s, this is the part of Plath's story which, fualled by Hughes reticence and his control over the Plath estate, has become the stuff of legend. Malcohn is inspired on the transgressive nature of biography -

genre's popular appeal - and wittingly invites the reader to tiptoe with her "down the corridor together to stand in front of the bedroom door

and try to peep through the keyhole." Her genius however, is to turn the tables and to rough up Plath's biographers and critics as they have roughed up Plath - reading their mail, quizzing their friends and gossiping about their houses. Thus she draws us, deeply and uneasily, into what really happens in the making of the modern biography.

Malcolm is not someone to invite home lightly. Take her visit to Ann Stevenson, whose 1987 Life of Plath was vituperatively reviewed for pandering to Hughes and for its omissions. Around the kitchen table, Stevanson reveals her problems in working with Hughes, her dissatisfaction with her book - she eventually published in part because she could not afford to repay the advance.

Malcolm purrs sympathetically, then turns the knife with a story of Stevenson cooking lasagne, omitting the white sauce, serving up the dish reluctantly because there is nothing

Domesticity as metaphor, life as art; Malcolm has the novelist's ability to convey the essence through an exquisite piece of bitchiness. A critic Who sometimes misjudges Sylvia lives in a crooked Hampstead house and serves coffee out of rigid square cups. The handsome flat of the handsome structuralist academic with the crisp voice and the crisp handsome ideas . . . the trains and plumbing that do not work in the cold winter of 1991, when Mal-colm came to England from New York to research the book and which recalled the icy months in 1963 when Plath was an American alone in a primitive

country...
With The Silent Woman, post-modern biography has come of age. Ven-tures of this kind usually fail because post-modern theories - that there is no truth, that no one owns another's life - are never as compelling as a wall told story. Malcolm overcomes this with a dazzling method of rendering the best of traditional biography. choice snippets which sum up a life, the making of an artist, cultural history - without the longueurs. It is intellectually explosive, morally challenging and enormous fun.

At the heart of Catholicism

The sacred may be politicised, but not profaned says Cristina Odone

Amongst the Believers: how could Naipaul dismiss Islam in this way? In his depiction of a music after a long day's work; it was pure theatre". Politicisation of the church handful of Moslem countries, the unbeliever paraded his prejudices by profiling only intransigent imams and is inherent in its teaching the gospel, after all, was interauthoritarian ayatoliahs, and by caricaturing spiritual codes. preted hy Christ's contempo-I had little sympathy at the time. Religions, after all, have raries as a revolutionary message, for which he was duly crucified. But the centuries borne the scrutiny of inveterate infidels for millennia. But have wrought a political per-mutation to the Church of after reading a similar under-Rome - its accumulation of taking, a peregrination through Catholic Europe by capital and power has placed it squarely at the heart of the the Irish novelist Colm Toibin, Establishment, and its emphasis on the authority of the Magl find myself echoing my friend: the sacred may be

protaned. Disenchanted with the religion of his childhood, Toibin seems bent not so much on a journey of discovery, but on a quest to diminish the divine, to view Catholicism as mere "consolation" akin to "listening to

politicised, but it should not be

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THE SIGN OF THE CROSS: TRAVELS IN CATHOLIC EUROPE by Colm Toibin Jonathan Cape £16.99, 296 pages

JOHN PAUL II by Michael Walsh HarperCollins £20, 320 pages

account for a number of historical incidents and political strains. Although Toibin allows that the "first open demonstration in Slovakia against tha regime was organised throngh tha Catholic Church" in 1988, and he does recognise the Jesuits' anti-Mafia campaign in southern Italy, be chooses to belittle a number of other instances when European Catholicism allied itself to the right cause, not the Right camp, and helped pave the way for democracy, not dicimparting its message of obedi-ance to spiritual authority, the church serves as a factory that tatorship.

Toihin seeks to limit Catholi-

cism to an aesthetic canon -

he offers us vivid, lyrical

impressions of Spanish reli-

gious processions, of Polish



Karol Wojtyla, Polish pontiff

sites - and to a socio-cultural influence that shapes and colours temporal occupations and aspirations. Certainly, in a number of the countries he visits (particularly Poland, Italy, Ireland and Spain) the Church does permeate national identity by influencing everything from divorce laws to the sanctification of the fatherland. But the ultimate legacy of the Catholic Church is a spiri-

tual one. It is in its message of hope, and of the importance of even the most marginalised members of society, that Catholicism has proved such a powarful influence on this generation of Europeane. To underestimate this legacy is to misunderstand an important part of 20th century history and to underestimate, too, the role played by the remarkable man who has led the church through the past 16 years. John Paul IL

In his biography of Karol Wojtyla, the first non-Italian pope since the 16th century. Michael Walsh lays down his cards at the outset: he had reservations about the cardinal from Cracow when ha was elected to the See of St Peter, and "as the years have gone by I have seen no reason to

change my original judgment". Walsh, a former Jesuit, is a liberal Catholic who sees the church as guardian of the gospel message in its social context - love, solidarity and helping the poor and dispossessed. He does not, however, long for the certainty of spiritual absolutes which Karol Wojtyla delivers. Where some more tra-

ditionalist Catholics applaud the present pope for dusting off the sacred system of correspondences between heaven and earth. Walsh sees this shep-herd as bent on keeping his flock in an uncomfortably tight Walsh carefully charts the

papacy, analysing both failures (in particular the financial scandal of the Banco Ambrosiano) and successes (the behind-the scenes work in helping Lech Walesa set up Solidarnosc and then toppling the Communist regime, the campaigns against right-wing dictators from Chile's Pinochet to Haiti's Baby Doc). And he analyses, too, the writings of the prolific pontiff - from his first encyclical, Redemptor Hominis to what must surely be regarded as his spiritual testament, the hard-hitting 1993 encyclical, Veritatis Splendor, with its fulminations against subjective morality and the à la carte Catholicism favoured by the majority of Catholics in the west.

Though Walsh finds it difficult to feel sympathy with the theological hard line towed by the Polish pontiff, even he cannot detract from the undoubted achievement of a pope who dragged the Catholic Church from the sidelines to the centre of the world political arena. ■ Cristina Odone is editor of

The present imperfect

rofessor Eric Hohshawm is usually described as a Marxist historian. This can mean many things, from a slavish helief in the great man's prophetic power to appreciation of the importance of economic factors in history. This book is an epilogue to a trilogy on European history the Ages of Revolution, Capitalism and Empire - which has
been widely praised. In these
volumes and his latest work the author is by no means a doctrinaire disciple of Marx, let alone of the USSR, which purported to be the embodiment of Marx's beliefs and the stan-

Marx's beliefs and the standard-bearer of his cause.

Hobsbawm divides his book into three parts: "The Age of Catastrophe" - 1914-50; "The Golden Age" - 1950-75; "The Landslide" - 1975 onwards. The first covers what he calls "The Thirty One Years War". "The Thirty One Years War"; the second the immense - and to him unexpected - capitalist post-war hoom which has ransformed the world; and the third, a period that he sees as one of a alide into instability, crisis and general loss of bearings. He prefaces his opening section with a quotation from Isaiah Berlin: "I have lived through most of the 20th century without, I must add, suffering personal hardship. 1 remember it only as the most terrible century in Western history". Few will wish to dis-

The causes of the 1914-18 war have been the subject of great controversy. Why could the conflict not have been settled hy diplomacy as a Bismark or a Talleyrand would certainly have attempted? Hohshawm explains its all-or-nothing nature hy the fact that, unlike previous wars waged for limited objectives, this was waged for unlimited ends. That was true, and even truer of the second world war, but the ques-tion why still remains. In the case of the 1939-45 war Hobsbawm has no doubt. It was essentially Hitler's war for world power. Nor, despite the smoke screen put up by post-1918 German historians, can one seriously defend the rulers of Germany in 1914 from the sama charge, though the

author does not say so. What he rightly emphasises is that the second world war, unlike the first, was ideological as well as nationalistic, and that there were three ideologies - fascism, liberal democracy and communism - which were equally antipathetic to each other. It was a paradox of the principle that "my enemy's enemy is my friend". Which produced the alliance of opposites from 1941 onwards.

Without the USSR the Western allies could not have won, and its success in waging war gave a spurious plausibility to its "command economy" in peace. Stalin's forced industrialisation during tha 1920a and 1930s was already such an

economy, and it had at least avoided the traumatic experience of the Great Slump.

Even as late as 1960 Harold Macmillan thought that the USSR might soon outstrip the economic successes of the west. In fact it was already collapsing under its own contradictions. Hobsbawm, however sympathetic he may once have been with Marxism, is a realist and his analysis of the collapse

is shrewd and perceptive. What would most surprise earlier Marxists is the recrudescence of capitalism after 1945. But their hero was a poor prophet. He foresaw neither fascism nor the welfare state and his confidence in the proletarian triumph has turned out, like most theories of inevita-blism, to be wrong.

Whatever the reason - and one can agree that there is no simple explanation – capital-ism in the "Golden Age" flour-ished as never before and brought about vast changes in the way of life and the stan-dard of living all over the world. Its success has killed socialism. Marxist socialism was a religion. But a religion of materialism has a weakness which spiritual religions do not possess. No one can prove by

AGE OF EXTREMES; THE SHORT TWENTIETH CENTURY 1914-1991

by Eric Hobsbawm Michael Joseph £20, 627 pages

experience that Christianity, Islam or Buddism are wrong. A religion which purports to improve the material welfare of mankind is in a different category. If it does not deliver the goods sooner or later people will stop believing it.

From the mid 1970s the Golden Age gives way to the Landslide. The period certainly saw major changes - the end of socialism for one. The former USSR and its ex-satellites were indeed in a state of chaos and disarray - transitional perhaps but no one can be sure. The capitalist world has seen more recessions and higher unemployment than in the previous quarter century, but "landslide" seems an over statement. The very fact that "Black Monday" in 1987 did not herald a repeat of 1929-31 suggests that there are stabilising factors present now which were not then. Nor is it convincing to talk of the weaken-ing of the nation state, despite Marx's dislike of it. There are more of them then ever, and this most significant legacy of the French Revolution shows no sign of going away. Fifteen years is not a long period for historical perspective. Eric Hobsbawm has written a brilliant and stimulating book But like most historians he is better on the past than the present.

Lord Blake

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WHALE & DOLPHIN

Woman at odds with her nature

Out of conflict, Doris Lessing has produced literature of the highest rank, writes Justin Cartwright

years 1919 until 1949, the formative years. It is a fascinating account of how Doris Lessing first wrestled with then escaped colonial life on the family farm and in Salisbury. Her very earliest memories are of questioning virtually every aspect of recelved wisdom.

She was that phenomenon, like Katherine Mansfield and Olive Schreiner, and perhaps Germaine Creer, a woman wbo throve on her clear-cut duty to defy provincial

society.

There is a rather moving passage in ber recent and rambling African Laughter where Lessing meets her brother at his farm and discovers that his memory of old times is very different from bers. He is still puz-zled, witbout wishing to give offenre, by the course of ber life. No doubt this incident will appear in Vol. II, but it seems to be the

ceotral question of this volume.

the bright, cheerful, "Tigger" Tay-ler, the daughter of an invalid, failing farmer and a hyperactive for-mer matron at the Royal Free hospital, how and why did she harbour both loathing for her mother and a belief in her destiny, which was some thousands of miles away from Salisbury?

The detestation of her mother is on a par with John Osborne's, yet her mother seems to be a more or less standard colonial, with all the prejudices and many of the virtues. Her father, with his detestation of the military (understandable as he lost a leg in the first world war), is more complex, and never fully understood or explained. In the realm of human relations.

proved an illusion; belief in a post-war renaissance of rationalism was shattered; the hope of a post-colo-nial flowering of Africa has proved equally illusory. But the habits of mind have not entirely died. Although she has satirised the colonial left, she says

Doris Lessing appears to have been singularly inept. Her lack of under-

standing is perhaps a result of her early solitude and extensive read-

ing. As she demonstrated in African Laughter, the beliefs of her youtb lie in ruins around her. Commu-

nism, which she renounced in 1954.

abandoning communism persisted into the 1960. But the reader will be most

that her own sense of guilt about

UNDER MY SKIN: VOLUME ONE OF MY AUTOBIOGRAPHY by Doris Lessing HarperCollins £20, 419 pages

intrigued to understand how, after her first marriage, she was able to abandon young children and live in another part of Salisbury, marry a communist she did not love and have a third child. She seems unable to explain this most human of dilemmas, beyond the feeling that she had to escape from her upbringing to follow the demands of her destiny. Her destiny demanded that she should never be trapped. It

also demanded respect for dreams. Bouncy, chubby, Tigger Tayler has never forgiven those who underesti-mated her.

Out of this tension she has built a wonderful career as a writer. There are in this volume many insights into the material and the inspiration for her work. There is also a sort of cloudy imprecision about her thoughts, particularly on the psy-chological and political levels. which make this at times a very unsatisfactory biography.

Strange, though, that these mus-ings are invariably illuminated by some shafts of understanding, as when she says: "We should be careful of the company we keep and the language we use. Regimes, whole

countries, have been taken over by language spreading like a virus from minds whose substance is hatred and anny. When torturers teach apprentices their trade, they learn from an ugly lexicon." She should know: in her early days in Southern Rhodesia, she was com-pletely besotted by the language of communism: she even doubts she

would have resisted if she had been sent out to kill the kulaks. What you have, then, is the biography of a very complex woman, a woman at odds with her own nature, her own family, and the society in which she was born. In the most fundamental way, in her determination to forge ber own life. she is the archetype of contemporary woman; hut she is not a femi-nist, if that means believing women are victims of men's exploitation. Sometimes in ber retelling of her toves and political preoccupations she suggests a loneliness which none of the defiant protestations of 'l will not" can disguise.

As I read on, I desperately wanted to know if she missed her children and what had become of her daughter, Jean, by her first marriage. Her son John, we learn casually, has died of a heart attack, "not unex-pectedly" in view of the Rhodosian life style. Yet it is the miracle of art that out of the turbulence and conflict - and probably hearthreak of these years she produced literature of close to the highest rank.

As the volume ends, she is waiting in a boarding house in Cape Town with her new son Peter for a ship to England. She knows that there will be a good outcome as she watches and waits. Her manuscript of The Grass is Singing has pre-

While on one level appearing to be From cosy reassurance to urban terror

Anthony Browne on children's books

reassurance permeates many young children's picture books this autumn. The best of these sanguine stories is So Much, written by Trish Cooke and Illustrated by Helen Oxenbury (Walker Books £8.99). The unpretentious. poetic text tells the story of a mother and baby who await the start of father's birthday party. Various lively members of the family arrive and they all want to squeeze the baby, kiss him and fight with him because they love him "so much".

Cooke's text is an inspiration to Oxenbury, who uses three different styles throughout the book. Instead of her usual pencil and wash, there are soft black and white drawings of the baby, almost monochrome studies of stationary groups, and large, expressive gouache paintings of vigorous colour and movement. It is always a delight to see an established artist taking risks, breaking new ground. and succeeding brilliantly.

Another book dealing with a similar theme is Guess How Much I Love You, written by Sam McBratney and illustrated by Anita Jeram (Walker Books 27.99). Little Nut Brown Hare and Big Nut Brown Hare compete to see who loves each other most. "I love you as high as I can bop,' laughed Little Nut Brown Hare, bouncing up and down. But I love you as high as I can hop, smiled Big Nut Brown Hare – and he hopped so high that his ears touched the hranches above." I find the story too knowingly cute. But it is charmingly illustrated in a nostalgic English style and printed on beautiful cream paper. It should do well in the

Colin McNaughton seems to have updated Pat Hutchins' Rosie's Walk in his hilarious new hook Suddenly (Andersen Press £8.99). Here a pig cheerfully walks home totally unaware that a Big Bad Wolf is stalking him. Just when it seems that the pig must be caught he changes direc-tion and the wolf is thwarted, again and again. There is a funny reassuring ending when the pig finally gets bome to see a wolf-like shape at the sink who turns out to be his mother. The story flows through the pictures like a silent Buster Keaton film, hut as always with Colin McNaughton the words are never superfluous - he cleverly avoids mentioning the wolf at all. Children will love this book.

The Bear hy Raymond Briggs (Julia McRae £9.99), is a huge book with familiar echoes. The story opens as a girl is tucked into bed with her teddy bear. As she drifts into sleep we see through the window a small grey shape looming towards her. In Briggs's characteristic soft crayon plcture-strip the shape gets nearer and nearer until we see a large paw open-ing her window. On turning the page we are confronted, like the girl, with the massive head of a polar bear. The beast comes in and, as she persuades it to get into ber bed, the teddy bear is kicked out.

The hook bovers between reality and imagination; the bear is very real and wonderfully drawn, and the girl has to clear up its mess, but the silvery, ghostly shimmer of the creature gives a dream-like feeling to the story. We have seen many books where a large furry animal comes into a child's bedroom. And there are similarities to The Snowman and The Man, but the superb drawings of the bear and the cinematic use of light and scale transform well-worn material into a delightful and satisfying

There is no cosy reassurance in Way Home written by Lihhy Hathorn and illustrated by Gregory Rogers (Andersen Press £8.99). From the crumpled paper endpapers and the stark ripped black and white titlepage we know we are in very different territory. This is the dangerous inner city at night and we travel with Shane as he takes home a stray kitten, running terrified from a gang, leaping through screaming traffic, escaping a fierce dog and finally arriving "home" - a street shelter made from rubble. The stunning artwork and hrilliant design of this dark book make it an exciting read for older children. I have the feeling, though, that not many will get the chance to



'How many miles to Babylon?': Paula Rego turns her attention to 'Nursery Rhymes' (Themes & Hudson £12.95, 71 pages)

The serial killer as a symbol of success

False prophets confounded

complexities of human behaviour to a single set of motives and characteristics. The latest academic fundamentalists are those scientists who seek to debunk philosopby's most profound dilemmas by claiming that our increased hiological knowledge of the human mind will provide the

answers. Mary Midgley, one of Britain's most engaged moral philosophers, will not hear of such arguments. In this dense, but clearly-written counter-attack. she stands up for the inherent knots and ambiguities which afflict so much of our ethical discussion and seeks to find a more sophisticated framework for future debate.

Her problem is, to philoso-phers at least, a familiar one: how to evade crude, mechanistic accounts of human motivation without collapsing into a kind of despairing relativism which has become a mocking key-note of today's post-mod-

ern intellectual culture. She hegins her thesis hy attacking some of the embed-ded positions which have led us to this unseemly impasse: the false dualisms created by philosophers hetween mind and matter, and between reason and feeling; the "machine hype" which champions those views of the human world which most closely correspond to the physical world (she shrewdly includes both Marxism and free market capitalism); and the over-simplistic notions of social Darwinism which have also been plundered to serve economic ends.
All these positions, she

explains, fail to take account of our "slight and misty nature"; they ignore the striking contradiction that we are frequently divided but constantly seek to act as a unity, a predicament she describes as "a constantly ongoing project, a difficult. ssentially incomplete integration which can occupy our

whole lives." Midgley is surely correct in identifying the modern atti-tude to religion as part of the

ntellectual history is full dar philosophy has always of attempts to reduce the found the idea of "deep, difficult inner conflict" unpalatabte, as it was closely linked

with religious thinking. "Enlightenment intellectuals, associating religion with folly, obscurantism, asceticism and political oppression, deeply distrusted the very idea of irremovable inner conflict. They also needed a fairly optimistic view about human motivation in order to make the various revolutions they were propos-ing look possible," she says. That we are still slaves to

the Enlightenment project. despite the violent denunciations of a Nietzsche or a Sartre,

THE ETHICAL PRIMATE: HUMANS, FREEDOM AND MORALITY by Mary Midgley Routh dge £17.99, 193 pages

is central to Midgley's argument. But the problems of the 20th century are not those of the 18th century; the zeal of the atheist, such a dynamic intellectual force in a social context of religious conformity, today is matched against a much-enfeebled enemy, and has, in Midgley's view, overstretched Itself.

She seeks a way forward hy turning to Darwin's own work on morality, and to the significance of the "quieter motives", those persistent undertones of social awareness which we all possess, and which frequently over-ride our urgent desire to be passionate, greedy, angry or resentful at any one moment.

She also focuses on the bind-ing power of "sympathy", a value which has been unjustly neglected due to its refusal to fall neatly into either side of the thought/feeling divide, but which characterises so many human responses.

This is common-sense philosophy of the highest order; one can only hope that more pro-fessional philosophers embrace the campaign against the slick certainties and theoretical glibness of today's false prophets.

Peter Aspden

hat do the follow ing authors have Theroux, William Trevor, Brett Easton Ellis, Michael Dibdin, Peter Ackroyd. P.D. James, Thomas Harris, Patricia D. Cornwell? The answer is that each of them has written one or more novels

featuring a serial killer. It is a crowded but poten-tially lucrative field. Since the huge success of *The Silence* of the Lambs, publishers and studio executives are on the look-out for the next Thomas Harris. The American author Patricia Cornwell, who has made serial killers her speciality, has set up ber own film company and is looking for an actress to play ber pathologist beroine Dr Kay Scarpetta.

Cornwell's novel Cruel and Unusual won last year's Gold Dagger, the top award for crime fiction in Britain. Her first novel, Post-Mortem, won just about every crime writing award in Britain and the US. Another Gold Dagger winner,

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these authors are reflecting a

natural preoccupation with a

brutal crime which was virtu-

the English author Michael

Dibdin, is writing a serial killer novel, Dark Spectre, which is

due to be published in Britain

next spring.
The American writer Brett

Easton Ellis received a critical

drubbing in 1991 for American

Psucho, in which a disaffected

Wall Street whizz-kid fantas-

Los Angeles.

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ised about a gruesome series of murders in New York. Unabashed, Ellis's new novel, law and order, characterising serial killers as "black holes who [have] sucked light from The Informers, rises to a crescendo of violence with a the planet Earth". Her new novel, The Body Farm, is dedi-cated to the right-wing US senseries of vampiric killings in The American feminist histoator Orrin Hatch "for his tirerian Jane Caputi has called the 20th century "the age of sex crime". It might seem that less fight against crime". The body farm is a real

place, a research institute where corpses are exposed to immersion in water or extreme temperatures to establish rates of decay. Thomas Harris's novels are partly set at Quantico, the FBI academy in West Virginia which almost no one had heard of before it appeared in Red Dragon and The Silence of

ally unknown until the closing

decades of the Victorian era. Brett Easton Ellis would argue.

I suspect, that the crimes com-

mitted or contemplated by his characters symbolise the moral

bankruptcy of contemporary

American society.
Patricia Cornwell identifies

berself and her character, Dr

Scarpetta, with the forces of

Harris's novels are scary, melodramatic, brilliantly-written, and in at least one impor-tant respect deviate drastically from reality. His convicted

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killer Hannibal Lecter has become a cult figure whose devious mind easily outdistances anyone who tangles with him. Anthony Hopkins played him in Jonathan Demme's film as a still, menacing presence who could see right into the soul of Clarice Starling, the rookie FBI agent played by Jodie Foster.

Hopkins as Lecter has nothing in common with the grim police mugshots of real-life serial killers: Albert DeSalvo, John Wayne Gacy, Peter Sut-cliffe, Colin Ireland, Sirhan Sirhan. Bohhy Joe Long, Henry Lee Lucas. What tends to characterise serial killers is a haunting and intolerable sense often, in the case of men who kill women, a fear of vulnerability which they project onto the female body.

Killing strangers is, for this group, a survival mechanism. If they were as glamorous and charismatic as Hannibal Lecter, they would not be serial killers. By contrast, the serial killer in contemporary fiction is an anti-bero for our times, incarnating powerful hut seldom acknowledged communal fantasies. At the simplest level, ha fulfils a longing for contemporary legends, for supernatural beings in an age in which magic and religion have been

debunked by science.
Patricia Cornwell's most recent novels have featured a serial killer called Temple Brooks Gault. In Cruel and Unusual Gault hacks into the



FBI computer and switches his own fingerprints with those of a murderer who has just gone to the electric chair. A hrilliant fictional device, it sets up Csult, like Lecter, as an epic anti-hero, s master of disguise who escapes detection in splte of the fact that "his face smiled from the Ten Most Wanted

lists posted across the land". Gault and Lecter are dramatic representations of stranger-danger, the idea of the unknown as simultaneously beguiling and threatening.

This notion can be traced all the way back to "the smyler with the knyf" in Chaucer's Knight's Tale; in the serial killer novel, the reader is allowed vicarious contact with this thrilling, terrifying

stranger in the knowledge that he or she will come out of it alive. In this sense the novels offer a frisson cheap thrills but there is more to them than that. Whera violence is concerned, Cornwell's books outdo everything except perhaps American Psycho, offering graphic descriptions of crime scenes, wounds and dissections. They offer a challenge to readers, a how-much-more-can-you-take contest in which the answer, judging by Cornwell's buge sales, is anything she

chooses to present to them.
It might be assumed that nothing could portray the harsh reality of death more vividly than these incarnadine novels, yet the cumulative effect is precisely the opposite. The reader becomes habituated to the whirring of cranial saws, to stomachs plopping onto dis-section tables, to the tragedy that lies behind each cadaver. This is a species of narrative in which the corpse functions

the solution, are written on the In a telling exchange in Cruel and Unusual. Dr Scarpetta's female assistant admits

chiefly as clue: the plot, and

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The cult of the anti-hero has come a long way since Chaucer's 'smyler with the knyf', says Joan Smith her fear that there is no afterlifa. Scarpetta reassures her, explaining that she draws her wisdom on the subject from dealing with corpses: "Something's gone. You look at their

faces and you can tell. Their energy has departed. The spirit didn't die. Just the body did". This unfamiliar vagueness from a character who is usually as sharp as a scalpel is

pages). Dark Spectre will be published by Faber & Faber in April. 1995 The Informers is published by Picador. (£9.99, 226

to carry out her ghastly job Dr Scarpetta (and perhaps ber creator) has to indulge in an act of denial. It also summarises the moral impact of the serial killer novel, which is to rob death of its sting; no longer the end, it becomes merely the essential opening gambit in an exhilarating fictional process. The Body Farm is published by Little Brown (£14.99, 324 pages); Cruel and Unusual by Wnrner Books, (£4.99, 437

suggestive, a hint that in order



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Measured to no good effect

Alastair Macaulay reviews the lastest RSC production at Stratford

he more I see Measure for Measure, the more remarkable a play it appears. It enquires, as acutely as anything Shakespeare ever wrote, into the nexus of morality, justice, sex, governance and life. And it achieves its drama by putting life in the scales with life, sin with sin, ruler with

ruler, lover with lover, And this sense of balancing lika with like enters into its very language: "Grace is grace," "blood, thou art blood," "truth is truth."

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Scenes 2 and 4) in which her innocent pleas on behalf of her sentenced brother Claudlo impress, then seduce, Angelo, and in which he then asks her to sacrifice her chastity to gain her hrother's life; and one between Isabella and Claudio, in which she tells him to die, rather than ask her to yield

her chastity to Angelo. But, once these scenes are ver (90 minutes into the three hour play), then either the plot sags (since the Duke tells us at once what is going to happen) or it rises, as the Duke brings It to its resolution. For the latter course to occur, it needs an actor who sees that the Duke, as Escalus says, "above all other strifes, contended espe-cially to know himself."

Not so in Steven Pimlott's new production for the Royal Shakespeare Company. Here the Duke is Michael Feast, who gives much the same atrocious performance as he delivered as Becket in Pimlott'a 1993-94 RSC staging of Murder in the Cathedraf, and this time his cadaverous resemblance to the Grim Reaper is absolute. Everything here is insincere, over-em-

phatic, fake lower middle-class,

and melodramatic. There is no quest for self-knowledge, nona of the ironic Shakespearian sense of a ruler who abdicates to find out more about ruling, and zero generosity to his fellow-actors. He is all contrivance, especially when feigning

lsewhere, things are better. Pimiott knows how to tell the story clearly, and he emphasises the exceptionally urban character of this play. But, as in Feast's performance, the production tends to be, on the one hand, melodramatic and, on the other, schematic. "Effects" ahound. Stella Gonet's Isabella, who has a fine basic hlend of spontanaity and zeal, screams several times too often; Alex Jennings' Angelo, as "precisa" and "severe" as others describe him, has analysed his solilo-

quies until they fall apart before our very ears. Both Gonet and Jennings are cast against the grain: which I applaud. To have Gonet this chaste and Jennings this humourless is not yet persuasive, but it may bring rich harvests in the time to come. Toby Stephens is, for once, a Claudio cast from strength Gust wetch him listen to the Duke); and Barry Lynch's Lucio has a relaxed ease amid all the proceedings that make his every scene refreshing.

Some of the hest performances are in smaller roles notably Monica Dolan's plaintive, unhappy Juliet and Bille Brown's hawildered, silly Elhow. Ashley Martin-Davies, the designer, places the action somewhere not very precisely in the 20th century and puts the Duke's throne on one side and, on the other, the electric chair. Geddit?

If you need to see Measure for Measure, this production does not actually get in the play's way. There have, however, heen three excellent stagings in recent years - Nicholas Hytner's (1987) and Trevor Nunn's (1991), both for the RSC, and Declan Donnellan's this year - which this in no respect approaches.

In repertory at the Royal Shakespeare Theatre, Stratford upon Avon.

Will the gods have the last laugh?

my university days, still shaken from the previous night's Rhiregold, admonished me before the start of Walkure: "Nicky you really should have stopped it. You know that, don't you?". The next day I received a card from another acquaintance: "It was s really wonderful and such an intelligent production of Rhinegold - the first serious thing of its sort in England. If the critics throw rotten oranges, don't despair - carry on. I can't wait for the next

Opera inflames passions, and Wagner's operas more than most. The Royal Opera House's new Ring has polarised opinion more than usual.

Why do we do it? Would it not be easier to revive an old production, or to commission something from well-established practitioners who might be relied upon to produce a more predictably acceptable result? Maybe. I have no interest in controversy for its own sake. Productions which set out to shock now bore me. Yet I suspect that there is some thing intrinsically disturbing at the bottom of Wagner's Rhine, and that any attempt to dive below the rippling surface and to dredge it up will upset

people. Our new-look Wagner, which began last year with Meistersinger, is borne of my convic-tion that the record of Wagner staging in this country is s fairly dismal one. I heard my first Walkere st Covent Garden in 1958, memorably conducted by Rudolf Kempe. Many magnificent, and some

less magnificent, musical experiences hava followed with Rings in this country conducted by Kempe, Konwitschny, Solti, Downes, Gibson, Davis, Goodall, Mackertas, Armstrong and Haitink, but to a greater rather than lesser extent the productions which accompanied them were

unworthy. For intellectual and visual stimulation one had to travel ahroad. The supreme imaginative responses to the Ring have been Wieland Wagner's last

Chereau's centennial produc- youth and heauty, is forgotten tions begun in 1976, both at Bayreuth. Both productions were much derided when they first appeared.

A storm of booing and some hostile reviews do not automatically signal a good production, although at least they indicate that our wonderfully quiet sudience is alive. But, as the abuse rained down at the open-ing night curtain calls on our brave production team, I remained convinced that they had created something truly remarkable - a contemporary response to Wagner's Ring which can stand alongside Wieland Wagner's and Chêreau's in their day.

Richard Jones and Nigel Lowery, our director and

Nicholas Payne, director of opera at Covent Garden, defends the company's new 'Ring'

unencumbered by tradition. Drawing on a kaleidoscope of references and images, they have yet fashioned something which is both original and wholly theirs. Its overt theatricality is refined into a narrative directly told. Jones asked us to print in the programme Hans Sach's

"Wahnmunolug", his dark night of the soul before Midsummer's Day. In Meister-singer, "Wahn", or madness or folly, is succeeded by healing, the community restored to itself. In the Ring, Man's folly, his vain pursuit of riches and power and love, leads to death and destruction and disillu-

The story is clearly hut diversely told. This Rheingold is often funny and irreverent, its texture deliberately light and transparent rather than portentous of the tragedy to come. We begin in Arcadia or the Garden of Eden. Despite the crimes committed the gods are still "laughing children" at attempt in 1965 and Patrice the end. Only Freia, goddess of Juliette.

and the Rhine despoiled. The light-hearted mood has gone by Walkure, which hy contrast is introverted and intense, a symphony in blue. Such humour as remains is cruel and hitter. The final scene hetween Wotan and Brünnhilde is enacted on a small square centre stage, father and daughter driven to

hurt each other terribly

because of their great love, trapped in an end-game of hope and despair. I find these ambi-

guities very Wagnerian. Bernard Haitink and I agonised for a long time over the commitment to a new Ring. We chose Jones and Lowery in preference to five or six other pussibilities because we believed that deep down they had a truly Wagnerian vision despite the dangers and unconventionality, or perhaps because of them.

There are other Wagner operas which I would not ask Jones and Lowery to stage, despite their fine Flying Dutchman in Amsterdam. We chose Graham Vick and Richard Hudson for Meistersinger, because we thought they would create its community and realise the renewal that comes out of anger and loss. I hope Vick will return for a Parsifal with Haltink at the end of the decade. For Tristan we are still searching for the

The Royal Opera's policy (pompous word for something which is really a matter of feel) is to offer diverse and contrasted theatrical experiences across the whole repertory. Unlike the pope, I cannot claim infallibility. Our collective judgments may be subject to error, but I can claim that they are not lightly reached. Long hours of listening, watching, thought and discussion go into the choice of singers, conductors and directors to blend into a team which just might capture that elusive phenomenon, the perfect opera performance, or (to be more realistic) the opera season which on balance may be judged a success.

It is not an accident that the start of our new Ring is fol-



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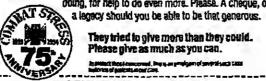
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Early works of a genius

William Packer on Michelanglo at the National Gallery

he National Callery's admirahle series of study exhibitions, Mnking & Meaning, focussing oo particular works in terms both of the artist's intentions and tecbniques, continues with a look at the early career of Micbelangelo. The period in question is the very end of the 15th century and Michelangelo's first

extended working visit to Rome. He arrived from Florence In 1498, aged 21 yet already free from his early apprenticeship in the studio of the brothers Chirlandaio, Domenico and David. His five-year stay was to see not only the confirmation of his stylistic independence as a painter, but an astonishing hurst of activity as a sculptor and a sequence of masterpieces -tbe Bruges "Madonna and Child", the Rome "Pieta", the "Taddei Tondo" from Florence and the "Pitti Tondo" from the Royal Academy, all represented here in casts of the highest quality - that established him at once as an artist of the first rank and the fullest maturity.

Sculpture took him back to Florence in 1501, to carve the monumental "David", and it was sculpture that had brought him to Rome in the first place. Having been advised to pass off a carved "Sleeping Cupid" as an antique, be learned that his Roman dealer had cheated him and so set out to claim it back. He failed, and the "Cupid" ended up in the hands of Isabella d'Este at Mantua, along with a genuine antique of the same subject. It has long since been lost, passing perhaps into the col-lections of Charles I and destroyed in the Whitehall fire of 1698. Who knows? Two such similarly exquisite "cupids" are in this exhibition, one a Roman fountain-bead of the 2nd century, from the Uffizi, the other a 16th century pas-

ticbe from Corsham Court. It is tempting but over-fanciful, no doubt, to take this last for the lost Michelangelo. What is certain is that questions of false attribution and dissimulation bung about him even at the very outset of his career. Small wonder then that they do so still. The paintings, rarer than the sculpture, have always been the more problematical. Only three panels are known from Michelangelo's early career, of which the Uffizi's "Doni Tondo" of the Holy Family, tentatively dated about 1504, is the only one complete and undisputed.

The other two, both of them unfinisbed, are in the National Gallery's own collections. The earlier of them, from around 1497 and painted in egg tem-pera, is known as "the Manchester Madonna" and clearly carries with it, if



not the mark, at least the influence of Ghirlandalo. That is not to say that it is not entirely authentic to Michelangelo. The easy, graceful naturalism of the Virgin's gesture is alone enough to affirm the presence of a younger hand and a fresher eye, to say nothing of the simple, scuiptural monumentality of the composition as a whole. The comparisons in detail with the sculpture are conclusive. That has not stopped certain scholars from proposing the existence of a corpus of work hy a shadowy "Master of the Manchester Madonna". This theory is immediately scotcbed, however, by direct comparison with an example from Vienna of this putative master. There is no comparison.

But it is the mysterious "Entombment", dated about 1500 to fix it to a known commission for an altarpiece for Sant'Agostino and painted in oil, which is the greater puzzle. A drawing from the Louvre of a kneeling nude is sup-

posedly a study for the figure of Mary at the lower left of the composition. A lone scholar has suggested it is not by Michelangelo at all, and he has a point. For while this study is close enough in spirit, it displays an openness and almost awkward linearity in its working that is not quite up to the denser and more fluid modelling of Michelan-

But does a single dodgy drawing call into question the authenticity of the entire painting? Was a drawing by someone else never useful to an artist? Do inconsistencies in the handling and the drawing suggest anything more than that one artist accepted help from another? Does lack of documentary reference to a work, that was clearly full of formal problems and no less clearly left off abruptly, necessarily require its removal from the canon?

Such arguments do seem so often to be put forward in a spirit of all or

nothing, when the probable reality was something altogether more practical and mundane. Paintings take time, ideas shift and change, things go

My own view is that "the Entombment" is a magnificent failure in a time when the sculpture was going from spectacular to glorious success. It was not to be until the Sistine paintings of only a few years later that Michelangelo would be able finally to resolve, in terms of painting, the easy yet monu-mental naturalism that he had already national. It offers opportunities achieved in such sculptural marvels as the "Pieta". The comparisons passim. between the paintings, the sculpture and the ceilings soon to come, effectively make the point.

Making & Meaning - the Young Micbelangelo: The National Gallery, Trafalgar Square WC2, until January 15. In association with Esso UK.

When artistic patronage proves a good investment

stamina. After two decades of steady rowth, with husiness support for the arts expanding from around £1m a year to £64.4m in 1992-93, there was a slump. with the recession taking its toll and cutting expeoditure by 13 per cent to £57.7m.

But in the last 12 months the industry bas stabilised, at around the same sum. Indeed so many new sponsors are applying for the £4.8m a year available in government matching money under the Business Sponsorship Incentive Scheme, that the Association for Business Sponsorship of the Arts, which runs the BSIS, has been forced to cut the top-ups by around 40 per cent, to the consternation of many arts companies and their would be sponsors.

Companies are now much more hard-headed about their sponsorship expenditures: they want to see results. There is little inclination to throw £100,000 at an event and hope for the hest. This applies across all the main reasons for arts sponsorship - to support an event which offers entertainment for existing and pro spective clients, influential contacts and opinion formers; to use the arts as part of a marketing and PR strategy, and to give something back to the community, viewing the arts as an element in the charity budget.

It is usually too expensive to evaluate the effects of arts sponsorship talthough one new sponsor, Clerical & Medical, bas done so to its own satisfaction) but there is much less money wasted these days. Take one of the biggest new spousorsbips of the year, Allied Domecq's £3.3m support. over three years, for the Royal Shakespeare Company.

The company's arm might originally have been twisted by the Prince of Wales, hut the link gives it access to a prestigious national company that tours abroad - useful as Alliedfor entertaining both in London, at Stratford-on-Avon near its Midlands base, and

throughout the country. It provides an educational project, which serves the company's charitable needs. It offers RSC privileges to its workforce. And it acts directly on its customers hy adding promotions for visiting the RSC to its hrands. On November 6 the RSC will be performing a Shake revue at the opening of the CBI Conference in Birmingham. This is good for the prestige of Allied Domecq and allows the RSC to play before an influen-tial audience.

The two biggest sponsors in the UK. BT and Lloyds Bank. (with BT just ahead with a £1.8m a year spend) reveal two contrasting approaches. BT concentrates on the community. Its main commitments support drama and music at the amateur level. ft also encourages young people to get involved in the arts and this year commissioned a new work by composer James Macmillan to be performed by 12 leading

Antony Thorncroft on the beneficial relationship between arts and sponsors

Lloyds Bank, with its support for music, film and fash-ion, concentrates on art forms pealing to the young, possipotential customers. Ideally it looks for massive television coverage of its events, most notably the Young Musician of the Year competition,

organised with the BBC. Wblie bospitality is still important (the £26m raised by Glyndebourne from companies towards the £33m cost of its new auditorium proves that) this is increasingly seen as part of the general corporate hospitality budget. Arts sponsorship is concentrated either specifically for marketing, or for goodwill

Among the most effective marketing campaigns has been Beck's Beer, which concentrates on young people by supporting avant-garde visual arts events. Its latest bas been backing the German conceptualist Rebecca Horn's shows at the Tate and the Serpentine. Once again a special production run was produced, with a work by the artist decorating

the bottle. On a more altruistic level. Mancbester Airport has become the major sponsor of the arts in the north of on such local companies as the Halle Orchestra, the Tate at Liverpool, the Royal Exchange Manchester and the Manches ter Year of Drama. Here is a good example of self-interested patronage, helping the arts but also raising Manchester's profile as a travel destination.

The most encouraging fea tures of the year have been the return of traditional sponsors which beld back during the recession, like Nat West with its new art prize, and the peneregions and down towards medium sized and small companies. Indeed the London based companies are finding it hard to maintain their sponsor-

ship income. The fastest growth has been in the north, with the Halifax Building Society and Boddingtons, the brewers, prominent new sponsors, while it is the professions, notably solicitors, surveyors, and especially accountancy practices, that have proved useful friends for many local arts organisations.

One of the most satisfied accountancy sponsors of 1994 was Ernst & Yuung, which put £500,000 behind the Picasso exhibition at the Tate. The publicity and entertainment spin offs exceeded its expectations and it is quickly return-ing to the Tate, backing a Cézanne sbow there.

There is more imaginative arts sponsorsbip than ever before. Companies are more inclined to offer help in kind; they are also loaning specialist staff - accountants, computer experts, etc - to arts organisations under schemes like Bustness in the Arts; there is more interest in sponsoring the adventurous (like Michelob's support for fringe theatre and Toshiba's £500,000 help for the ICA), or commissioning new music, new drama, new art (although the New Cootemporaries travelling art show desperately needs a sponsor following BT's withdrawall.

It remains true that many arts directors spend time chasing up sponsors which could be more fruitfully directed at crebeen no indications that sponsors have ever tried to determine the artistic programme. The relationship over the past two decades bas been largely beneficial - opening up the eyes of business to the imagination of the arts, and teaching the arts something about commercial reality.

he showcase season

of this year's 21st Royal Court/Marks & Spencer Young Writers' Festival consists for the first time of two alternating double bills rather than a single clutch of plays.

The writers, aged between 15 and 22, all display a heartening degree of promise and one of the works on show is a little

Young writers show dramatic talent gem in its own right.

Corner Boys by 16-year-old
Derry lad Kevin Coyle is a particular youngsters whose late spokesman Kurt Cobain sometimes acute teenage-view adorns the T-shirt of one of the

of teenagers. Although set in characters. Derry, it is concerned less with The series of vignettes draws much laughter of recognition as Dave and Barry awkwardly work up to asking Angela and a particular city than a partic-Kerry out for a hig date at a cafe or down at Kentucky Fried Chicken - and also as they try in vain to deal with

ally tries to be flash or pro-found his script rattles, hut when the piece sticks closer to home it maintains a satisfac-

tory chunkiness. Essex Girls by Rehecca Prichard is a fairly hlatant comic-tragic contrast. In the first act, a trio of would-he suss hahes hang ont, smoke and talk sex in the girls' toilets of a comprehensive school. In the second, depressive Kim - effectively shandoned hy the drunkard father of her son - is visThe world is likely to hear more of these budding playwrights, says
Ian Shuttleworth

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ited in her high-rise hy her ately to snap her out of her lassitude for even a sbort

The latter scene goes beyond simply subverting the considerable humour of what has gone before, and gives the play the air of an exercise in technique. Nevertheless, Prichard will certainly learn to structure her dramas less

exhibition or providing a grant.

their premises with no hire fee attached.

obtrusively (this is her first play) and already has a sensitivity for character and a keen ear for dialogue.

Roxana Silbert's direction plays, and creates an evening of solidity rather than sensation. The most impressive performance on the hill is that of Siobhan Hayes as Kim in Essex Girls, who capably conveys her character's mood of

Co-director Jane Collins has

the better deal in terms of

material Fifteen-year-old Hayley Daniel's Looking for Home kicks off the second bill, portraying the arguments of a divorced mother and her 13year-old daughter with an often uncomfortable rawness. Sam and her mother both say exactly what they feel, partly because theirs is not a relationship that observes polite conventions and partly because Daniel has yet to acquire the skill of coating her characters

with such a veneer.

Yet the glimpses into Sam's childish fantasies, and the fact that they complement rather than supplant her grip on real-ity, are affecting, and Sarah-Jane Potts is quite remarkable in her professional stage dehut

in the role. The jewel in the festival's crown, though, is The Knocky hy Micbael Wynne, aged 21. The Kelly family celebrate their grandmother's 70th birth-day on a Birkenhead estate amid a culture of long-term unemployment and constant theft - as the story begins, son Joseph himself knocks off the family video, later joking that hot VCRs are virtually an alternative currency. The play is an impressive blend of hilarity and poignancy, grit and sar-

Chess No 1044: One solution is pawns at a4. b2, c8, d6, e1, f3, g5, h7. Theme - keep the pawns out of the four corner and four central squares, and it helps to look for squares a knight's move apart.

Wynne's dialogue is frequently so marvellous that I was reduced simply to noting down my favourite lines, such as "I hope he's cut down on those pot noodles - be smelt like he had an alien up his arse

last time." This is kitchen-sink drama in the "everything but the..." sense. Young Steven, a witness to his brother's burglary, lurks under a grey cloud of petulance while sister Lizzie agonises about the morality of the "dodgy money" she earns at nights - another strong performance from Potts, matched by Elizabeth Berrington as the irrepressible aunt to whom she unhurdens herself – and Ma Kelly keeps the family together in hest Boswellian fashion. Wynne somehow manages to put a triple twist into an almost wordless ending, played out against the bathetic strains of

Dinnne Warwick. The world is likely to hear from most of these writers again, and in Michael Wynne's case this particular corner of the world can hardly wait.

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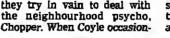
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Making up is so very hard to do

retiring, if you feel at home with the refined no-make-uplook faces of the Armani or Calvin Klein woman, prepare for a tough season.

All those pale skins, non-descript beiges and all that exquisite tastefulness, are being replaced by something much more alarming - up-front reds, look-at-me fuchsias. smouldering eyes and aggressively manicured nails.

There is a brashness, a feistiness abroad. That at least is the message peddled by designers, make-up artists and models but, as with most such messages, it is first aired in an extreme and exaggerated form After all, if it was not, would anyone take any notice?

For those who live in the real world, and have to get by without top-model Nadja Auermann's platinum hair, dangerous eyes and towering body, adopting this look wholesale would probably be unwise but, nevertheless, there has been a mood-change and there are ways of reflecting it without looking...well, daft.

If you want to know how, there are few cleverer exponents of the art of making-up than leading make-up artist Kevyn Aucoin. In a book to be published shortly be takes us on a trip through the world of gloss and foundation, powders and potions, brushes and blushers.

The photography is beautiful and wonderfully explanatory. The end

f you are by nature shy and result may look like alchemy but to look good these days can look retiring, if you feel at home Kevyn Aucoin gives us the nit- good. But' Aucoin bimself ty-gritty details. There, for instance, is Kate Moss, the role-model of waif-dom and grunge, newly done over in 1990s' glamour.

There, too, is model Patti Hansen, made-up to show us how one face can project a powerfully different image by using different colour combinations: pale, luminous with light eyes and mouth; then chicly dramatic with a slicked-back bob, light eyes and vermilion mouth;

Lucia van der Post on how a skilful artist can transform your appearance

"European-style" glam, all dark mouth and dark eyes; finally, we have her in what be calls the most sophisticated mood - dark eyes and light mouth. All these looks - he swears - are created with minimal changes so that a fresh, light look for daytime can be easily and quickly intensified for evening.

To show the chameleon-like ability of hair and make-up to project powerfully different images, be presents a fascinating selection of make-overs - these are the favourite stuff of magazine picture editors, for the photographs are convincing evidence that almost all who want approaches make-overs with diffidence. "When I think of make-overs, I think of those awful "before" pictures in which the woman is cap-tured sitting under a fluorescent light with no make-up on, her hair frizzed out, wearing the expression of someone who has just been told something terrible. Who wouldn't

look better in the 'after' shot?"

Nevertheless, I defy any woman to look at the "befores" and tha "afters" and not be encouraged fairly ordinary-looking women have been transformed by skilful make-up, good hair-cuts and marvellous photography.

Although Aucoin is informative on all the techniques of making-up he is, perforce, short on giving details of products.

I therefore asked Val Garland, a British make-up artist working in the fashion field, to give us some tips of her own.

Colour, she says, is the make-up statement of the season - and the hottest colour to grace lips and nails is red. But bright, brilliant red, she warns, may do wonders for Paloma Picasso but does not suit every skin-tone. "There are other ways of using red," she says, "than just one brilliant slash of colour. Many of the cosmetic companies have produced soft red stains - Mac (only available at Harvey Nichols) and Clinique for instance. If you have a dark red that you find too



strong you can dilute it with some of Keihls lip-balm for a softer look. You can apply a real red to the centre of your lips and blend it out to the edges with a lip brusb or cotton bud for a more subtle look. "Those going for the really bold

approach should use a lip-liner to ger red - Helmut Newton-style. (Rouge Coromandel for those who

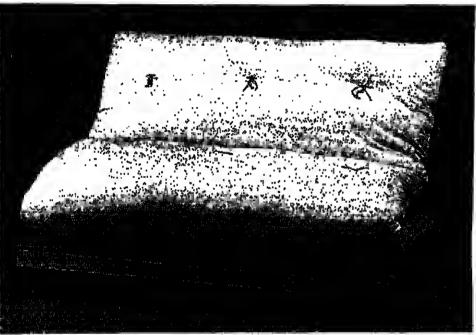
true red pencil). This will help prevent the colour bleeding. Then the chosen red should be applied with a lip brush, it should be blotted with a tissue and then reapplied. This way your lipstick should stay

After you have applied the bestick as outlined earlier you should then put some lip gloss in the middle only of the lips (if you put it near the edges it will smudge)." Her favourite reds for this season

are found at Mac, Prescriptives (by

like it bright, Rouge Star for a subt-ler look) and Yves Saint Laurent.

The Art of Make-up by Kevyn Aucoin, (Prion, £40, 175 pages) is available from November 1. On Tues-day, November 8, he will be demon-strating his skills and signing books



The cult spreads

uji, for many wbo are within reach of one of its four branches in the UK, has become a cult shop. It arrived with a formidable reputation from Japan spread devotion to the designer label, it had managed to build

itself into a chain of 221 shops all purveying the notion that a "look-no-label" (which is what Muji means) range had a chic

all its own. Of course timing is all and Muji's arrival coincided with the mood for a simpler, more pared-down approach to living. It became a hit with the young

centrated on needs and seemed to have no interest in creating wants, that it provided them with the basic essentials for homes and bedsits and that, above all, simple was not a

Having found that its shops in London's Great Marlborough Street Covent Garden and Glasgow have made a niche for themselves, Muji is now trying to reach a wider public. This week it opens in Kensington High Street, south London, where it is going to have to compete with the offerings of some of the most suc-cessful chains - from BhS and Marks and Spencer to Warehouse and C&A.

To do this Muji has been carefully redefining its ranges over the last 18 months.

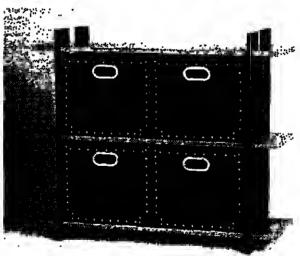
The strong yen had made many of its products, innately desirable though they were, seem expensive by the time they reached the UK. Muji has therefore been looking at sourside Japan and prices are now

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much keener. Bed-linen, which used to come in sizes that did not conform to British beds, is A ROMANTIC now being sourced in Europe **BREAK** and will fit European beds. Clothes are being sized up to new LL and XL sizes to cope WHERE YOU BOTH with larger western bodies. Muji'a underwear range is already well established (it is Go Your very popular with my own children). Cult items include sta-SEPARATE WAYS. tionery and snack-foods. In the Glasgow branch foods such as dried shrimps, seaweed, choco-late pretzels and butter cookies

In the heart of Ayrshire, with splendid views over the sea to The Isie of Arran, stands the perfect place for couples to relax together, yet follow their own interests. Turnberry has developed a special Two and Five Night Partner Programme called 'Two's Company'.

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The ring cycle

A commitment that matters

engagement ring, I doing a bit of research a few weeks back, lives on - in the UK at least. In Britain, 96 per cent of men buy their brides to be an engagement ring. And very

But these days, if statistics are to be believed, marriage is not what it used to be and a "relationship" has become the new institution. For any changing times represent a

So it had to happen - what we have now is the commitment ring. No longer is there any excuse for a chap to be stingy with the jewels - the commitment ring is what he can give to her when he is chary of stepping down the

Hennell of Bond Street, one of London's oldest fine jewellers, has decided to bring itself up to date and this week launches its new, streamlined, 1990s version of the old-style engagement ring.

Designed by Dennis Gardner, Hennell's head of design, it is simple in the extreme - in pure gold or platinum the ring is not quite closed, leaving a symbolic gap. One of the open ends of the ring is finished with a brilliant diamond, the ring comes engraved with two sets of initials and, for those who like jewellery to match, there is a bracelet which is simply the open-ended ring made

The rings start at £750 (for a diamond the size of a tenth of a carat, prices go up as the



diamond gets larger and a sized-up ring with a half-carat diamond for instance would cost £3,800). The commitment hangles start at £2,200 and also

larger.

Hennell is at 12 New Bond

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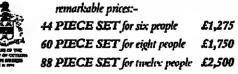
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Hair and make-up by Marlo Yianni for Nicky Clarke, W1, with

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James Martin

Street, SW1.

products.

Picture

Suits are serious this season

Avril Groom has been combing the catwalks and the high street for plain and simple clothes

woman who went loto German Sander's new coocessioo at Harrods receotly bought seven suits. Perhaps she needed one for each day of the week, such is the pull of the serious suit on the modern woman. It is the same story at the

Sander shop which Browns has opeoed in South Molton Street, W1. Amid the cool marble and glass, suits are sought after. They cost £1,200 on average. their popularity reflecting their importance in a well-planned wardrobe.

This seasoo it should be your main buy. Oo almost every catwalk at the autumn shows.

tazz, was a suit which could rise to any occasioo. The jacket, leanly-cut or flared out from a neat waist, was loog enough to act as a coat over the new short, A-line

The majority had matching trousers, slim ecough to go with new-glamour high heels

WAYS TO WEAR THE SUIT: With an A-LINE SKIRT AND WAISTCOAT (illustrated top right) and suit jacket. Nevy tartan version by Donna Karan, £175, waist-coat, £150 from Browns, South Molton Street, London W1.

The TUNIC - to be worn over suit trousers. Deep charcoat velvat tunic, £89 ink blue slik shirt, £65, (Hustrated), both from French Connection. Regent Street, W1 and branches, Way In, Harrods, Knightsbridge, SW1 and Ferwick.

COLOUR - a little goes e long way. One bright sweater or vivid bag is fine. Illustrated: Red panné velvet body, £135, and red setin rucksack with diamanté snattle, £295, from Gucci, Old Bond Street, W1 and Sloane Street SW1.

PASTELS are an alternative and the same rules apply. illustrated: muted pale pink allk-satin shirt, £110 from Whistles, and cropped soft pink mohair tank top, £24.99 from warehouse.

EVENING - To make yours e dinner suit, add satin side-striped evenings trousers (Marks and Spencer, £45), and (illustrated left), a black lace body by Christian Lacroix Bazaar, £99 from Dickins and Jones, Regent Street W1, and ribbed velvet coat with quilted lining by Sahza, £239, from Fenwick.

SILVER EVENING - a Lurex sweater, £195 from Edina Ronay, Kings Road, SW3 and Harvey Nichols and silver veivet scarf, £12.99 from Dorothy Perkins.

SHOES - high heels, ankle-straps, tango or tap dance styles - (Russell and Bromley, £110). Over-knee suede ankie-boots (Manolo Blahnik, £350).

THE KNIT DRESS - to be teamed with the jacket. Avoid high-waisted versions unless you are slender. Fuzzy finishes are fattening. Warehouse's A-line engora in black or pale blue (£54.99) and Alberta Ferretti Philosophy's mohair in charcoal or brown (£149, Herrods' Way In) are simple. So is the beige knitted dress

behind the unwearable razzma- and to look smooth with an description for fashion's U-turn A-line tunic.

Sander's suits are plain to the point of severity, made from the finest of drapable wool, cut with shoulders that are defined yet soft, and shaped with geotly arching seams that flatter but never

constrict. Feminine authority is a good

towards a dressed-up but still soft look. A good lovestment, they are impressively minimal when worn aloce but can form the ideal foil for a new seasoo's

Such plain suits profit from a little wit end whimsy. One les-son from the muddled fashion of the 1990s is that individual-

ity pays. The minimal-suit clune is as boring as the giltbutton clone. So use your sulf as background material, making it your own with imaganative accessories . the minibags, jewel bright angoras and ankle strapped high-heeled shoes that create a tone of

light-hearted glamour. This is where the high street comes in. From designer diffuslon ranges to department stores and chains, mass market fashiou now reacts so quickly in interpreting catwalk ideas, and has improved its quality so much, that there is little point in buying the expensive original of a one-season wonder.

There are just two areas this autumn where one might advise caution. A-line skirts from youth-market chains are very short so you might prefer more sophisticated sources. And the new influx of bright or metallic colour cau be very garish at the cheaper end.

Nevertheless the high street is well worth searching: Oasis fringed scarves cost under £t5 and Freuch Cunnection's soft and dusky velvet A-line tunic is £89. At Whistles' (strictly speaking more of a chic boutique chain) there is a silk satin shirt in a particularly lusclous muted pink, redolent of 1930s glamour, at £t10.

The main suit is one item where the rule of thumb is to buy the best you can afford it will make those high street accessories look classier. There are good, plain suits at all levels. When clothes are shorn of detail, cut and finish become paramount and need close examination before you buy. Dorothy Perkins' newly revamped raoge, Jigsaw and Marks and Spencer easily pass the quality test for young women on a budget.

With middle-range suits costing about £400 each, it is worthwhile, if you can, going up a notch to a level where excellence of cut and finish. plus proper design loput, are taken for granted. It may seem a lot to pay £600-£800 but designers are well aware that their customers want lasting value. Rightly, you get more cut and less detail for your

money. Choose a dark, plain colour for maximum mileage. Black is obvious but less versatile for a suit which must presumably go from day to night and town deep taupe are better choices. Pinstripes are hot, but think before you buy – will you still

want them next year? We have listed the best suits, all beautiful, versatile and useful in the long term. The Alberta Ferretti style photographed here has all the qualities of contemporary glamour - soft, matt fabric, a slimwaisted, flattering shape and a

Sketched bere are just some of the clothes that will give your suit the extra mileage to take it through the winter.



Where to buy the best suits

■ Chanel, Old Bond Street, W1 and Sloane Street, W1 - black and white tweed, very fine diagonal stripes. Hour-glass long jacket, short skirt, £1,650.

Street, SW3 – pale grey soft wool twill, jacket curved to fit, four buttons, soft, slim trousers. Made to measure. Jacket from £995, trousers from £395, waistecat from £395. ■ Armani, Sloane Street, SW1 - grey soft rayon/silk chenille

herringbone, double-breasted jacket, trousers, £1,400.

Jil Sander, South Molton Street, W1 and Harrods, Knightsbridge, SW1. Woot, long slim Jacket and trousers, £1,225. ■ Ralph Lauren, New Bond Street, W1 ~ navy fine wool slim,

long blazer, single-breasted, metal buttons, brown velvet trim, £665, slim trousers, £245.

Callaghan, Hervey Nichols, SW1 - charcoal wool with faint stretch and sparkle, long, slim, plain jacket, £470, very slim

trousers with turn-ups, £205. Caren Pfleger, Harvey Nichols, SW1 - very long grey or black three-button jacket with slight swing, £460, soft trousers, £210.

Caroline Charles, Beauchamp Place, SW3 -- grey flannel jacket with buttons on loops at walst, £387, soft trousers, £239.

by Fenn, Wright and Menson £69, from Fenwick, New Bond Street, W1.

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PERSPECTIVES

he Millennium Commis sion is seeking your ideas on how the nation can best celebrate the end of the second millennium. The Government has set aside a fifth of the proceeds from the national lottery - a possible £1.6bn - to ensure the party will be worth remembering. We asked our readers to help out the commission with suggestions.

We obviously touched a nerve the response was tremendous, prodncing hundreds of ideas. Many shared the same vision: that the money should be devoted to nature - to more parks, trees, flowers along every highway, the greening

Many had a more 21st-century vision, pushing for information highways, science parks, a computer terminal for every home.

Many more wanted the money to go, not on buildings or objects, but to the poor, in improving health care and housing estates, a view summed np by Cessna Vaz wbo

The state of the s

Monuments for the millennium

We asked readers how Britain should celebrate. Antony Thorncroft received hundreds of ideas

suggested a ticker-tape extravaza, pouring money down on the

There was an enthusiastic lobby for a national virtual-reality centre (Sam Briddes suggested the old Paddington goods yard as the site) to which the whole nation could tune with their Millennium computers. Peter Howe even suggested virtual-reality monarch to take

the strain off the Queen.

Past national celebrations have focused on buildings - the Crystal Palace in 1851, the Festival Hall a century later - but, apart from the brave idea of a North Sea Tunnel linking eastern England to Scandinavia, there was no great support for a 2001 monument

Among the ideas were a gigantic like Andrew Seed's plea for a vast national museum built of titanium ; a matching obelisk for Cleopatra's Needle; a rocket-shaped skyscraper topped with telescopes; and, on a bumbler plane, Lt Col Colin McVean produced very specific plans for a sundial which could be attached to existing structures like

poles, allowing the nation to keep time during the Third Millennium. Some suggestions seemed rather self-serving - King's Jazz Review wanted a traditional jazz Jazzitoria; others were universal, like R.S. Osmaston who wanted every 18year-old in 2000 to be given £1,000 if they had no criminal record. There were the idiosyncratic

Nelson's Column, or to village may-

gambling centre, a British Las Vegas sited near Manchester, plans to build a new town that looked exactly like Elizabethan London; to dismantle hydroelectric dams in Scotland to restore beauty to the Highlands; or allocate a Scottish island, perhaps Arran, for the Chinese wanting to leave Hong Kong

There was a big transport lobby, wanting cycle lanes traversing the land; off-street parking for every vehicle; free cycles for all; bullet trains; a Peace Ship 2000, with concert areas and exhibition space; and 2,000 barges sailing down the Thames. It was only matched by advocates of more national parks:

in 1996.

lungs for cities; and banning cars. There were enpporters for exploiting the potential in hydrogen; advocates for harnessing tidal power; for making more use of water, from the ocean resources to reclaiming deserts. There were those who wanted a university for the 50-plus generation and many snggestions for a grand new national museum, perhaps a 21st-century Crystal Palace, reflecting the past but also looking towards the future, forming the greatest scientific resource centre in the world, or, in the words of William MacKay a "World Millemium University". For the winners 1 was divided by

capture every Guinness record; T.P. Butler costed a range of ideas and came up with the wheeze of investing much of the Millennium Fund in the stock markets and real estate of Asia so that the revenues last for ever; while N. May was practical, with free calls to one specific number (to a son or daugher) for over 60s; free electricity in 2000; and a birthday present of a block of Premium Bonds for every-one, not cashable for three years. Among the imaginative ideas the most imaginative ideas and the most comprehensive lists of sensi-

ble suggestions. Among the latter,

John Clink supplied 15 including

such novelties as a Peace Prize for

Britons and a British attempt to

Tony Sanderson of Oxford thought big. He wanted to recover much of

the North Sea and the Wash, thus extending the land of the nation. He also envisaged a mountain range on the Welsb borders and ideal for skiing and walking. It would give the Midlands warmer summers. The bulk would come from the waste of industrial cities.

But the winner is Darren Ross of Sunderland wbo envisages 2000 stone monuments erected around the coastline of Britain. Not amazing in itself but Mr Ross imagines a carving on every stone, a poem, a legend, a picture, telling the visitor about the locality. Each stone could contain sundials, compass optical illusions. It could bave a transmitter sending out a poem, a song, a description. The stones should be of burnan beight and imaginatively carved. And at the beight of the Millennial celebrations a laser could link every stone encasing the nation in n uniting thread of light. It is imaginative,

Bayarian cowberd's method of

big-drinks Thursday is a noisy, rather than a naughty, affair

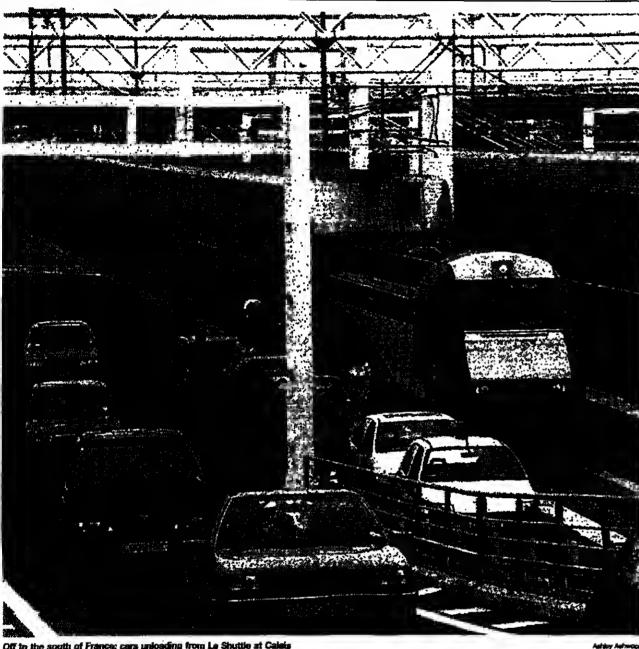
and signals the start of the

transition from asceticism to

dinner of a trout, unseasoned

It is 11am on my last day. 1

more normal existence. On Friday, those about to depart are allowed a "build-up"



Fast track to France

Le Shuttle is full of surprises, whether it is Nicholas Grimshaw's breathtaking terminal or the sensation of driving your car along a platform into a train, which then starts without you noticing.

Among a five-car compartment belonging to Eurotunnel shareholders who had paid £30 for a return trip – 30 times more than their future concessions are worth -

Bonjour, said the French Customs was Elizabeth Hooninan, taking her second Le Shuttle trip. Relieved that she had not found it claustrophobic, her only disond Le Shuttle trip. Relieved that she had not found it claustrophobic, her only disappointment was the lack of prestigious shops in the UK terminal.

Seconds after leaving Le Shuttle, you

shops in the UK terminal.

"People have said to us we should sell our shares," she said, "but we haven't and we won't. We feel that Britain needs a national project and we bought the shares because we believed in the idea of a great

British venture. Jane and David Warren bought their shares in Eurotunnel because be hates

are on the motorway heading towards Paris, marvelling at the lack of formalities and the ease of the journey. That is, until yon realise you are driving on the wrong side of the road.

Heather Farmborough

How to sweat off the excesses of life

Christopher Parkes samples the rigours of 'the cure' in the Allgäu

t is four in the morning and there is a strange woman in my hotel room. I can make out only a pair of brawny shoulders framed against the light from the corridor. "Halli-Halloo!" she says, and whips off my duvet. "Get up. Undress and drink this."

Nettle tea is a noxious brew at the best of times. And this is not the best of times. Naked, dangling the teahag to protect my modesty, I sip queasily while the night visitor deconstructs my bed.

"Lie down!" I edge forward into the light, and stretch out prope. The nerve ends in my backside tell me I am lying in a puddle of lukewarm tripe. Receptors on my front-side twitch in anticipation. Then splash! My knees jerk defen-sively upwards as I take a direct hit amidships from a

Within seconds the icy wrap ping stretches from my breastbone to my big toes. Now comes a layer of gelatinous hot water containers, strewn the length of my quaking torso. I am rolled and wrapped in blan-kets and feather-beds. "Footsies up. Armies so." Loose ends are stuffed. Corners tucked.

Breathing heavily, she is suddenly gone; and I am immo-bilised in the darkness, scarcely breathing at all.

A 100kg roly-poly meat pud-ding, I lie still as death, only my nose showing. Then, unexpectedly, I am marinating in my own juices. The combination of wet linen, hot water bottles fore and aft, and heavy external lagging central to the implementation of the notorious Schrothkur is going to work, putting my sweat glands through their paces.
In spite of - or maybe

because of - years of overdos-ing on stress and undesirable substances such as cigarettes and German sausages, I have cajoled myself into believing by 30 years as a journalist. Accordingly, I have come to the sub-Alpine village of Stci-bis in the Allgau to regain the ability to breathe, eat and sleep properly. The rest can

Deep in cure-and-cowbell country, close to where the Bavarian, Schwabian, Austrian and Swiss borders mingle on the shores of Lake Constance, I have suspended my disbelief in natural remedies and thrown

away my cigarettes.
Although the Schrothkur appeals mainly to slimmers, and I am told my 1.85m frame is not over-burdened by the 99.6kg weight registered on my arrival, I have decided that while XL T-shirts are fashionable, XL waistbands are for fatties. At the same time I have convinced myself that if I can survive a week of early-morning "packing" and subsist on a diet entirely free of fripperies such as protein, salt and fat, then I can certainly do without my Dunhill Superior Milds.

It is only day one, but from within my tightening cocoon, the outlook does not seem promising.
It is now six in the morning

and I am sorry I bothered to umpack my suitcase last night. Terminal claustrophobia is setting in, and there is an irritating whiff of old cooking under my itching nose.

Only now, as the enveloping angel returns to unpack my puckered body and allow me to drift back into sleep, do I realise that my own damp hide is the source of the kitchen aroma. The promised Entschlacking (slag removal when used for boilers and purification in bodily references) seems to be under way. Detoxification and breakfast becken.

It is now 9.30 in the breakfast erschnapps, a diuretic derivaroom in Burtscher's Hotel. tive of lamp-oil and juniper After straying into a section berries, and Steiner white where real people are eating real food, I bave been forcewine, a tongue-peeler report-edly related to the Riesling fully correlled where I belong, grape. But no one seems to among the sad-sacks and the

There, under my nose, sits a dish of weapons-grade muesli. I murmur that humans need at least two stomachs, ruminantfashion, if they are to extract any nourishment from this gritty slurry of coarse-chopped

gastronomically-deprived.

But Frau Wunderlich, some 20 years my senior and 20 Tuesday, when Georg, an out-

a whack on the rump. But come the fateful soire and some of the more excitable gentlemen in the company are clearly up to their scuppers in care. Even on the so-called Steiner before the ancient DJ "dry" days, interspersed is through his first session. hetween "little-drink" and "big-More knees-up than leg-over,

But the one to wait for is Thursday, when it is dancenight and big-drinks on the house. Anticipatory tensions are building up as early as

drink" days, Schrothkur suffer-

ers are entitled to two

cooked in foil. By Saturday night this departee is down the road to nearby Oberstaufen in the Enzianhütte restaurant. 'I still recall triumphantly counting 17 Starting with a roe deer fillet pumpkin seeds on my plate of salad with Steinpilzen (boletus edu-lis), red cabbage, fried gnocchi, one evening. By day two, bets are a bottle of 1989 claret, be is

being wagered that the solitary Englander is not going to make it' times as fit, has been coming for years and knows better.

She even thinks a big strong chap such as Herr Parkes should have a bigger portion juice, are easily switched into sexual overdrive. All it takes is than the one she has just a blend of nil-food, fresh air, She is wrong, thank God. Steiner Riesling and a 1970s The waitress, plump as a Weiscrooner, preferably the late

swurst, shakes her head and her Bavarian bustle. Everything is as it should be: small in volume and lacking in flavour. As the Schrothkur litany says, seasoning arouses appe-tites, and you do not need an them wrestling with their wob-bly bits on the gymnasium floor, I am not much conappetite when you are not supposed to be eating.

So it continues: lunch, then dinner and back to the breakfast grindstone. The worst is a dish of sauerkraut soup. Far from being a junipery-peppery brew covered with globules of floating fat and speckled with chunks of Speck and sausage, it resembles nothing so much as a pair of undersborts boiled struction in Persil Power.

But meal times are not without their high apots. I still

wagered that the solitary Englander is not going to make it, least of all with the cigarettes. Most have heard he is only there for a week, when everyone knows three weeks is the minimum necessary. They tions of the preparation and consumption of Irish stew and seen him sitting close to smokers, inhaling deeply.

ut what they do not know is that his mod-est expectations of this adventure are being more than fulfilled. He is sleeping like a baby. He is enjoying the morning physical jerks, even though most of the exercises are aimed at perking up breasts rather than building washboard abdominal muscles.

He is enjoying the compania-bleness of it all and the pleasures of his comfortable room. He is astounded by the limitless views afforded from the nearby peaks and facilitated by relentlessly clear weather. It is mid-October, and he is sunbathing and swimming ontside, soothed by the clonking of the cowbells.

The smell of old cooking has evaporated from his room and by Wednesday he has ceased to feel hungry. The sauna and plunge bath are no longer torture. They are necessary punctuation points in the day's rituals. After a rigorous afternoon ramble, a three-course sauna session sets him up to face his one-course supper and an evening's socialising in the bar.

Yes, in the bar. This is the do-you-good cure where the pain can be eased with analgesic booze. The

chewing his way deliberately towards the boly-of-bolies: deshave enjoyed my "build-up" breakfast (but not as much as size hotelier on a busman's boliday is eager to explain. Cure clients, he says, slugging back his fifth vodka and grapefruit

Roy Black, singing "Ganz in Having sat in the sauna with most of our middle-and-moreaged fellow guests or watched

But my other neighbour, Ferdi, is positively slavering. He is a buckshot-forbrains huntsman. He knows where the chamois graze on

last night's afters: pear bread overlaid with gorgonzola and dribbled with booey). I have taken my last swim and pansed to weigh myself by the pool: 93.3kg wringing wet. That is a good 6kg lost in a week. and I have not had a cigarette

I am still smiling smugly as I step out of the botel, blinded by the dazzling autumn sunshine, and almost colliding with an indistinct figure striding urgently past. "Halli-Halloo," she says. I turn, but she has gone again.

■ Christopher Parkes stayed at his own expense in Burtscher's Kur und Sporthotel, 8974 Ober staufen-Steibis, Germany.

For reservations and details.

Some of the names have been changed to protect the innocent

that it might be possible to recall triumphantly counting 17 pumpkin seeds on my plate of lettuce, beet and cabbage restore some of the more desirable bodily functions impaired All in the Mind/Andrew Derrington salad one evening. By day two, bets are being

Switched on to pain

fers frequently includes one in four Britons, according to a recent study - knows all too well that science has not been very good at controlling pain. But scientists are catching up. It has long been believed that pain is the body's alarm signal to prevent further damage (such as to a finger on a hot stove). But why then do we feel chronic pain, long after the body could take avoiding action? Recent research sug-

gests an answer. The main point is that signals about damage do not always pass straight into the part of the brain that experiences pain. The signals can be blocked or amplified by switches in the spinal cord. And signals that have nothing to do with damage can be switched into the alarm system

so that they cause pain. Scientists are now trying to understand how to manipulate the switches so that pain can be controlled.

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Acute pain after an external stimulus is still best thought of as a damage warning. Speci-alised nerve cells in all parts of the body activated by stimuli, such as from a cut or a burn, send signals into central pathways of the brain and nervous system where electrical activity causes the sensation of

The brain works out where the pain has come from by knowing which part of the pathway is stimulated. For example, a knock on the "funny bone" causes pain over

a wide area of the hand and arm because it strikes the nerve-carrying signals from this area, a Indeed, one of the cornerstones of neural science is the

idea that the eensations we experience from a particular stimulus may be different, depending on which pathways in the brain are activated. This helps to explain some of the puzzles about the damage-

warning theory of pain. For example, why does vigorous rubbing of an injury sometimes relieve pain, whereas in other circumstances the lightest touch can be agonising? How can an amputated limb hurt? Why, in chronic pain, does the alarm continue to ring long after it has served its purpose? The answers come from research on the switches that block or redirect pain

signals. signals.

The first suggestion that pain signals could be blocked from entry into the spinal cord came in the mid-1960s. It was

through a sort of gate that can be closed by a circuit activated by other sensory signals. There is now much support

for the gate theory. Rubbing tha skin relieves pain because it generates sensory signals that activate the circuit that closes the gate. Acupuncture

Research is answering some puzzles about pain theories

and electrical stimulation of the skin work in the same way. Morphine's analgesic effects occur because it mimics a chemical that closes the gate.

The gate can also be closed by signals descending from higher levels of the brain, to block pain if we need to act to avoid something even worse. Wounded soldiers can often disregard injuries until they are out of immediate

A different set of spinal switches amplifies pain. Prolonged or intense signals in the damage sensing neurones have two effects. Central pain pathways become more sensitive to their normal inputs so that pain is amplified. They also become sensitive to signals caused by touching or moving the skin, so that these, too, cause pain, but no damage. This intensification of pro-

longed pain has doubtless

of the body which has become badly injured. So any sensations that result from a disturbance of the injured part (such as a hand or foot) are rerouted into the pain pathway, even when a similar movement would not in other circumstances have caused direct pain. The unfortunate consequence is that chronic pain conditions, for example from inflamed nerves, are made

The pains that may be experienced in an amputated limb and by patients whose spinal cord has been severed (paraplegics) probably also owe much to this mechanism

For even when a limb has been amputated its pain pathway in the central nervous system remains and can be acti-

Paraplegics usually lose all sensation below their spinal injury, but they may be left with severe pain. In some cases the spinal pathway carrying pein signals may be intact and other sensory signals may be channelled into it.

Scientists do not yet understand the details of the mechanism of central sensitisation, but it is the focus of important research in universities and in the pharmaceuticals industry.
A drug to reverse its effects - still many years away -would lighten thousands of lives darkened by chronic

The author is professor of psychology at the University of Nottingham.



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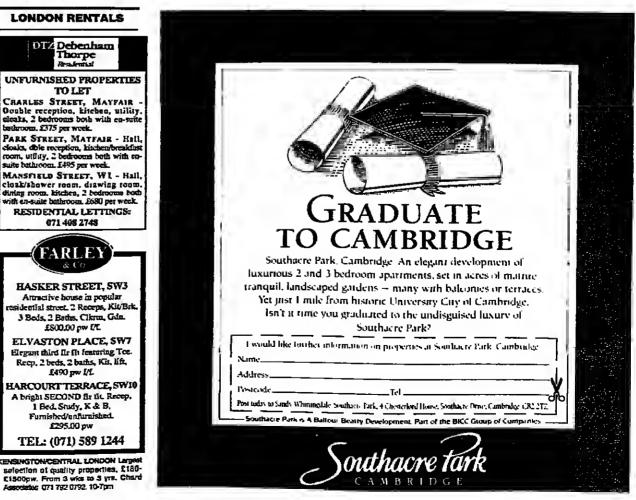
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PROPERTY / OUTDOORS

ter put his Weish hollday cottage on the market, he wanted to attract as many potential buyers as possibla. He decided against using an estate agent and registered with a computer matching agency.
"My wife heard about com-

outer matching and suggested the idea to me," he explains. "Because the details go on to a database which contains a national network of people who might be interested, I thought it would be a good thing to try." Within a few weeks the Laistors had a buyer, and the sale looks likely

Computer matching agencies operate in a similar way to the Dateline lonely hearts operation by putting vendors and potential buyers in touch. Once clients have each other a details, it is up to them to arrange the sale although, like Dateline, the agencies cannot guarantee a perfect match. One of the main attractions

of computer matching is that tha fees are considerably cheaper than estate agents' who charge, on average, about 2 per cent for sole agency. On a house sold for £250,000, this works out at £5,875 (including value added tax), whereas the maximum charge by a computer matching agency for the same sale would be only £575. There are now three companies operating nationwide in the UK, all established during the depressed housing market

of the past few years. Laister's cottage is registered with Link-Up Properties Nationwide based in Haywards Heath, West Sussex. It charges vendors a £75 registration fee for a six-month period. This includes the cost of advertising the property in a national newopaper and vetting the responses. Buyers register free.

If a sale is agreed within the first eight weeks, Link-Up charges commission of £250 (inc VAT) for properties worth less than £100,000 and £500 (inc VAT) for those worth more. As its profit is made when people sell inside tha eight-week period, there is a strong incentive to match suitable buyers and sellers as quickly and accurately as possible. At present, it has around 20,000 people on its database.

Even Julian King, its director, is a little surprised by how quickly the idea has caught on.
"The whole concept of Link-Up

11111,4



Match-maker selling

Georgina Overell explains how vendors can bypass estate agents

Properties arrived around the depressed market place and our aim was to inject a little bit more activity into it. When it was established, I didn't imagine it growing at the rate it has. Certainly, over the past two years we have gone from strength to strength and we are achieving a very high level

ational Selections, based in Ealing, west London, is tha smallest of the three agencies. It charges a registration payment of £88.13 for six months. The fee covers a computer matching service but individual properties are not advertised in the press.

Director Paul Brooks believes matching services act as a useful adjunct to estate agencies by catering particularly to people who want to move long distances. Until recently, the Property

Sales Register in Cheltenham. Gloucestershire, relied solely on computer matching for results but, like Link-Up, it is now advertising properties in the national press as well. Its registration fees range from £65 for properties worth up to 260,000 to £100 for those over £120,000, but it does not charge any commission. People and properties are matched every two weeks on the database and

computer print-outs are sent to

· Director Anthony Muir-Clark says: "During the course of a year, we have many many thousands of people going through our hands. We don't guarantee a sale, but we are able to match people up very successfully.

"We give a refund if we don't match vendors with a prospec-tive buyer. And we reckon that we refund something less than 2 per cent." Each agency has a broad cli-

advartised his Welsh cottage privately as well as registering with the agency. The response from advertising equalled the number of people sent to him by Link-Up - but many were not serious buyers.

ent bank, including people

looking for holiday properties,

employees who must re-locate,

people looking for retirement

bomes or moving to the UK

They try to weed out time-

wasters by getting clients to complete fairly detailed ques-

tionnaires and discussing their

requirements on the telephone.

Laister believes this is a partic-

ularly useful function.

from ahroad, and investors and

"I must say that I had as much response from my own private advertising, so I was a bit disappointed with Link-Up. But the people Link-Up sent me were all definitely looking for the type of property 1 was selling, so there wasn't a question of anybody wasting any-body's time," he adds.

Muir-Clark believes the system is an attractive option in a market where profit margins are tight. "People are beginning to recognise that computer matching has a value in this situation," he says.

"For a relatively modest sum, one can add more strings to one's bow, get buyers nationally - and stand a chance of saving money as

Link-Up Properties Nation-

unde, 9 Franklynn Suite, The Priory, Haywards Reath, West Sussex RH16 3LB, tel; 0144-457999; National Selections, 54-58 Uxbridge Road, Baling, London W5 2TL; Property Sales Register, Marlborough House, Winchcombe Street, Chelten ham, Gloucestershire GL52 2NL. Tel: 0800-526056.

Heavenly flowers to make October bright

Robin Lane Fox suggests a new approach to autumn

be past two months hava been so exceptionally kind to gardens that they must make us all think again about our style.

So many of us concentrate on the year's familiar points: the daffodils in spring, the magnolias, the June rush and the cascade of roses before any surviving bedding plants take over the show. But a golden October reminds us that gardening is more than a three-

There is something odd about one's atyle in late autumn and early winter. Somehow, the individual flowers seem to go together naturally; their colours are more clear and pure.

Perhaps a lack of choice concentrates the mind. There are fawer plants that produce blooms in October, but I find that they have a distinction that often disappears when the entire world of flowers is avail-

able in July. Lack of choice first forced me to make an experiment which I now recommend to anyone. I bless the day that I ignored the experts and went over to growing schizostylis in a dry garden, which they are supposed to hate. One of their best suppliers even laughed at the idea when I proposed it at a recent flower show.

Schizostylis have pale, rushy leaves and long stems of flow-ers with rounded petals in pink and white, curving to a length of nearly 2ft. For three years now, they have multiplied and extended their season from August to November in my dry garden without any trouble. In the wild, these heavenly flowers are known as Kaffir lillies. In Britain, they are much less popular than the shocking pink nerines (or Guernsey lil lies), but I can pay them no higher tribute than to say they

are just as good.
They seem to relish life in gaps between paving elabo where they can find a cool root. And while they seldom appear in London, they would be marvellous experiments for

eunny, paved front gardens where you could take out the occasional slab, improve a square of soil and pack in a Kaffir carpet varying between pink and scarlet.

In my garden, they keep good company with a plant which would be the darling of every expert if it was not so easy and available so widely. The brilliant blue ceratostigma Willmottianum is the outstanding small shrub to a height of just over 2ft in September and

The flowers of this infallfble Chinese shrub are a brilliant cobalt blue and, if you plant a few bushes under a sunny wall of your bouse, you can then

but the pink and red schizostylis in open squares among paving stones which link the house to the lawn.

The same possibilities are present 10 times over among Michaelmas daisies: clear colours, a long season between different varieties, and easy companionship with other etrong obades of yellow or white. I like the late blues such as Blue Down, the small-flowered Little Carlow and the tall Calliope amid the strong yellows and sbocking pinks of autumn-flowering bulbs. Among the bother of order-

ing and planting next year, many people forget they could be enjoying shocking-pink ner-ines and the brilliant yellow Sternbergia as bulbs in Octo-

Order them next spring and give them a dry, sumny place. A few bulbs soon go a long

way because they are better if divided after several years: otherwise, the small, yellow Sternbergia will run to leaves rather

If these clear colours leave you short of white, head for the hardy Japanese anemones which are neglected only by unwise planters who think these plants are, somehow, too common. For big groups, I think ordinary Japanese White Alba remains the answer - the simplest and still the best. Once again, all the experts would long for it if only it was more difficult to grow.

The same sort of people seldom want to mention a chrysanthemum, for much the same reasons. Here, too, the botanists are behaving as if these fuss-pots are right and are trying to re-name chrysanthemums as dendranthemums in a spectacular fit of botanical

'correctness". I believe, however, that this family contains some excellent garden plants. The single-flow-ered hardy forms are often lovely if you place them carefully in borders and do not abandon them to a epecial corner where you will use them for nothing but picking. The best give an extra month's life

to fading borders.
Everybody has a favourite but I must push my two latest discoveries, which have flour-ished in thio singular year. Weyrichii is a low-growing, white-flowered form which seems to spread easily in a dry soil and lights up the front of the border with a last, white

Among the late blue daisies I also have a small-flowered numbar known as Doctor Tomm Parr, which seems to be as tough as nails and colours itself in rusty red flowers. These forms, and their bardy relations, have a clarity which is much rarer among flowers in high summer.

If you do not hide them away in beds for cutting only, you can develop a style with a new range of colours which staves off the sad moment when the garden finally heads for bed.

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e Val d'Isère'o première neige - the annual cel-ebration of tha opening of the ski season - approaches once again, thousands of skiers have already been trying to make their time-honoured decision: will it be France or Austria this year. It is never an easy choice. Since the Albertville Olym-

pics of 1992, the French have made brave attempts to abandon the Gallic shrug and dress up some of their architectural mistakes in gentler cladding. But they atill have not got Gemutiichkeit - the traditional mountain welcome cocktail of yodalling, accordion, tuba, schnapps and roaring fire -which is a German word much hyped in brochure copy when referring to Austrian ski resorts. It does not translate readily into French, to whom such a concept is anathema. This may perhaps explain why British skiers can easily be divided between Austrophiles and Francophiles, and why Austria and France are neck-and-neck in popularity as destination countries of British

In a perfect world on the mountains, the ski resorts and ski lifts might be French, the villages Austrian or Swiss, the mountain restaurants Italian and the resort personnel North

American.

The reality is that for "serious skiers", the French resorts are unbeatable while skiers who want tha best all-round ski holiday experience might be tempted by Austria, Swit-zerland, the US or Canada. French ski resorts have a

number of individual characteristics: first they have the French, who are traditionally viewed as something of a Purpose-built France – or old Austria?

Skiing/Arnie Wilson

mixed blessing. On the plus side they have the highest resorts, some of the most modern ski lifts, and ski-in ski-out commodation.

Unlike the rest of Europe, France came comparatively late to skiing as a big tourist. attraction, and had the benefit of being abla to build such resorts as Les Arcs, La Plagne, Tignes, Avoriaz and Flaine in optimum locations for good snow and access.

tial picturesque Austrian vil-lage with onion-domed church and picture-postcard chalets. Most Swiss and Austrian ski resorts were based on villages which were already well-established. In France, only the likes of Chamonix, Val d'Isère,

Megève and La Clusaz fall into this category.

The other advantage of skiing in France is self-catering, little practised in the rest of the Alps. Rather than being tied to a fixed Austrian or

the holiday. Self-catering goes hand in

Swiss menu, the self-catering skier can enjoy eating out one night and cooking a meal in the apartment the next. Or any combination of the two during

Channel Tunnel to reach such resorts as Courchevel, Méribel, Avoriaz and Flaine with plenty of provisions on board, or stop at a hypermarket on the way there. And they can stop on the way back and collect a crate or two of wine. Skiers with cars can also

take advantage of the increas-ing popularity of multi-resort lift tickets, which allow you to ski, for example in Val d'Isère But this same "purposebuilt" tag was to alienate some skiers used to the quintessenand Tignes and spend a day in Les Arcs or La Plagne, and another in the Trois Vallées. Skiers who are really offended by the so-called con-

crete monstrosities that passed for contemporary architecture in the late 1960s will perhaps be comforted by the fact that the French realise they created some alpine carbuncles a quar-ter of a century ago and are trying to do something about

At Flaine, thought by some to be the ugliest of the purpose-built resorts, the principal development in the 1990s - Le Hameau (the Hamlet) which is still being added to - marks a return to traditional alpine architecture, with the construction of attractive Scandi-

navian-style chalets and apart-

Thirty years after La Plagne's biggest eyesore Aime La Plagne was built, the resort now has mixed feelings about the architecture. (Bellecote is no picture-postcard either). They have since compensated for it by reverting to a more neo-rustic style for some of its more recent developments. These include Belle Plagne, Plagne Soleil and Plagne Vil-

In spite of these much more attractive developments, it is certainly worth visiting or even staying in the traditional villages of Champagny and Montaibert just to get a break from La Plagne's brave new world of skiing automation.

This way you can get the best of both worlds, enjoying a huge network of good skling by day, and a pleasantly rustic retreat by night. This works well at Alpe d'Huez too, where you can retreat to Vaujany or Oz for intimate evenings, and at Les Deux Alpes, where Ven-osc provides a little relief from

the hoisterous local après-ski. But whether you like the quiet life, the frenzied demimonde of all-night disco-theques and nightclubs, or the hurly-burly of an Austrian folk evening, the basic skiing prod-uct offered by France and Austria will always be worlds apart, and probably the better for it. There will never be a Saalbach-Entre Flaine or a Chamonixental.

Perhaps this winter France may edge ahead of Austria in the popularity stakes. More likely, the Austrians will stay ahead by a yodel. The French may have the premiere neige. but they may not bave the dernier mot when it comes to luring British sklers from Alpbach to Alpe d'Huez.

FT Expedition

Stormed off the mountain

Arnie Wilson and Lucy Dicker are trying to ski every day of 1994. They are in New Zealand

a Canterbury lamb but it is going out like the All Blacks. As we prepare for the last leg of our adventure - back to the US - we have had some of the fiercest weather of the year. At Mount Hutt, on New Zesland's South Island, we were

Methven was fraught: roads to most NZ ski fields are unpaved and have hairpin bends and sheer drops without barriers. At Porter Heights, howling gales which peppered us with more ice balls shut the lifts one by one until the resort admitted defeat and closed. caught in a ferocious hail etorm which arrived from

Ohau – Naw Zealand's smallest commercial ski area, nowhere and closed the mounalthough claiming the coun-

owners, Mike and Louise Neilthunder roared above us as we son, obligingly helped us ski with the aid of their snow cat. tried to find our way back to the base lodge. The eight-mile When that broke down, we drive down to the town of walked up. Booked in for two nights, we stayed seven, skiing deep snow off the Ohau's challenging High Traverse when conditions allowed.

With most oki fields in NZ closing around us, Ohau, Porter Heights and Mount Hutt have all gone out of their way to keep the FT ski odyssey on track. Jenny and John Fairbrass, managers at the Alpine

Visibility was reduced to nil, try'o longest T-bar – also had Lodge at Porter Heights – ice balls blasted our faces and to close for a day or so but the where we also spent seven where we also spent seven nights instead of the two allotted - kept our morale high with plping hot meals, squeaky-clean accommodation

and good conversation. Porter Heights, the closest commercial ski field to Christchurch, the South Island's biggest town, has some of the best ungroomed terrain in the Canterbury ski fields. Big Mamma, a two-mile descent, is one of the longest and steepest off-piste runs in the country.

Arnie Wilson

MOTORING AND SPORT

nsiders are inclined to dismiss the British International Motor Show, opening to the public today at the National Exhibition Centre near Birmingham as a re-run of the Paris Mondiale de l'An-tomobile (this column, October

Inevitably, the Parls show up-staged the British event. All the 1995 models were there; even the UK's new Jag-nar XJs and Range Rover made their world debut in Parls, not Birmingbam, though Toyota thought differently and chose the UK show for the European unveiling of its Lexus LS400 and Celica Cabriolet. Which is only a reflection of how international the motor industry has

In fact, most of the people wbo will crowd into the NEC for the next eight days will almost certainly be Midlanders and northerners. Sontherners prefer the London Motor Show, held at Earl's Court Arena on alternate years to Birmingham.

When the traditional annual motor show left London for Birmingbam in 1978 and became biennial, the Earl's Court Motorfair was started to fill the gap. The Society of Motor Manufacturers and Traders, which bas always run the "official" sbow, disapproved of Motorfair at first but

soon adopted it. This year, the British International Motor Sbow has followed a lead given by the former npstart Motorfair. For the first time in 91 years, visitors

Motoring

A public test of their metal

Stuart Marshall visits the British International Motor Show in Birmingham



can actually bny things on the exhibition floor. No. not yet cars. But a wide range of accessorles and components awaits buyers in a 55,000 sq ft retail pavilion.

The sbow's main value is that it gives Britons their first chance to see in the metal the cars they have so far only seen pictured. One is the light-alloy Audi A8 luxury saloon, offered as a 2.8-litre V6 with frontwheel drive, or as a 4.2-litre

V8 with quattro transmission. Alfa Romeo's highly individ-ual 145 batcbback is also there, although, sadly, not the toothsome new Spider.

Main interest on the BMW stand centres on the 3-Series Compact, due to sell from £13,350 and set to take BMW into Ford Escort, VW Golf, Vauxhail Astra and Honda Civic territory. At the other extreme is the marque's flag-ship - the 5-lltre, V12-

engined, long-wheelbase version of the new 7-Series.

Citroën's Xantia-based Xanae concept car and the Lndo, Renault's idea of a town car for the young and active, sbould not be missed. The Ludo has sliding doors and runs on liquid petroleum gas (LPG). Renanlt says it es the environ cleanliness of an electric vehicle but can be refuelled in a couple of minntes and has a

range of 250 miles (400kms). The Lndo's automatic clutch will, incidentally, soon be available on the Clio.

The multi-purpose vehicle (MPV) developed by PSA (Pengeot Citroën Gronp) and Fiat can be seen on all three companies' stands. Ford's Galaxy MPV -

another joint effort, this time with Volkswagen - also threatens to end the Renault Espace's long domination of the European MPV market. For buyers who stick firmly

to the tarmac, part of the attraction of on/off-road 4x4 vehicles - like Land Rover's Discovery - is their elevated (Land Rover calls it "command") driving position. Thus, their makers and importers will be watching keenly the

market performance of the new breed of European MPVs - which also have high-np driving positions. plus lots of interior space and generally car-like ride and handling.

For the time being, though, sales of the 4x4s are standing np well, even if prices for the poshest ones approach stratospheric levels.

Interestingly, Mitsubisbi's stand at Birmingham features a 2.9-litre, turbo-diesel version of the five-door Shogun, due In the UK carly next year at about £22,500. It is equipped less elaborately than the origi-

oal but looks more elegant. Two other 4x4s are well worth looking at. They are a prototype of a much better-looking, more powerful and easier to load Lada Niva Cossack, due to go on sale next year: and the quaintly-named but most attractive Ssangyong

Musso. This rugged. four-wheel drive, five-door estate from Korea has a Mcrcedes-Benz five-cylinder diescl and will be on sale in Subarn and Isuzu dealerships in the spring. Prices are likely to be from £16,000 to £21,000.

If you fancy an affordable sports car, do not miss the Vauxhall Tigra and the eyecatching new Fiat Coupe. UK sales of the Tigra - with which I shall be dealing more fully next week - are less than a month away. The Fiat's British launch is not until next year but, if the Coupe is as well built and competitively priced as the Punto, it could

be worth waiting fur. Much further off is the market launch of Mercedes-Bonz's small SLK sports car, being shown at Birmingham as a concept. It has a steel top that power-folds into the body.

■ The show is open to the public from todoy until Sunday. October 30, from 9.30am until 7pm (5.30pm on the final day). Admission is 18 (children and senior citizens £4); the NEC charges 25 for parking. The organisers recommend travelling by train to Birminghom International, which is in the middle of the exhibition comshow tickets are ovailable from

Africa Championships in the

Cote d'Ivoire. This earned him a place on one of the new

squads for promising juniors set up by the International

Wayne and his 15-year-old

sister Cara, have enjoyed help

bles victory this year with American Jonathan Stark has

lifted him to a world doubles

ranking of No 4, "It was a tre-

mendous thrill, second only to

my win over lvan Lendl at

Queen's last year. That showed

me that I could live with these

For Don and Vella their

proudest moment was in 1986

when Byron, aged 17, had beat

the experienced Nigerian Tour

player, N'duka Odizor, in a

Davis Cup tie in Harare. The

crowd went wild and before

the Nigerian team departed its

manager, Jacob Akendele, left

an envelope for Byron with

instructions for it not to be

Inside were a few bundred

There are only three great

players in the world - Borg,

Becker and Black. This is to

belp you buy your first string-ing machine. Good luck."

avoided injury and since 1993

have formed the Zimbabweau

Davis Cup team, something

few brothers have achieved:

David and John Lloyd were

members of the UK team that

reached the final in 1978, while

the same for India in 1987.

Vijay and Anand Amritraj did

But only one pair of siblings

brothers, Reggie and Laurie,

who achieved four successes

for the UK between 1903 and

The dream for Don and Velia

Black is that, one day, their

boys might become the second.

Byron and Wayne have

dollars and a note which said:

opened until they had left.

Slam Cup.

Football/Peter Aspden

Clouds drift across the Italian game

hen Italian football first became available to Britisb television viewers, it was like a breath of fresh air sweeping through the rancid mediocrity of Britain's domestic

Here was glamour, technical virtuosity, passion without violence, and world's imest players strutting in front of capacity crowds in magnificent stadiums. Oh, and the sun always shone.

It might be something of an exaggeration to say that the positions of these two giant footballing nations have reversed, but not much.

Today, It is considerably more difficult to get a ticket to watch Newcastle United than Inter Milan, one is more likely to be stoned or bottled inside an Italian ground than virtually any other in Europe and, if you were manager of a World XI about to face Mars, Alan Shearer and Andy Cole would figure more prominently in your thoughts as a twin spearhead attack than Gigi Casiraghi and Dan-

These are troubled times for the Italian football establishment. Last Sunday, three of the traditionally dominant powers in the game, Inter Milan, AC Milan and Juventus, all lost, the first time this had happened for no less than 28 years.

None of them looks like being a main cootender in this year's champlonship, although Fabio Capello's AC Milan cannot be discounted so soon after their stunning 4-0 victory over Barcelona in last year's European Cup final.

With Roma topping the table and Parma, Lazio and Foggia snapping at their beels, a new order is threatening 10 take over, prompting the inevitable question: are standards levelling

upwards or downwards? A look at the fortunes of Arrigo Sacchi's national side provides telling

It may seem strange that a side that managed to reach the World Cup final and only lost on penalties to the best footballing nation on earth should, just a few months later, be in the throes of a crisis; but the cries for Sacchi's removal are getting ever stronger, and his plea for patience, after three years at the helm, is beginning to look a little desperate.

A fortunate draw against Slovenia, followed by a none-too-convincing victory over Estonia, was not the ideal start to Italy's campaign to qualify for the 1996 European Championship in England; and next month Sacchi's which can call on Lazio's in-form Alen Boksic and AC Milan's Zvonimir Boban for inspiration.

In truth, Italy's World Cup adventure, which relied entirely on Roberto Baggio's flashes of brilliance and some very stubborn defending, bugely flattered the quality of their football. Where was the class and creativity in midfield for which the great Italian

sides were famous? Nicola Berti, Dino Baggio and Demetrio Albertini, all fine box-to-box foragers, would not have looked out of place in a Graham Taylor side, while the two most exciting members of Sacchi's squad, Gianfranco Zoia and Beppe Signori, were unable to win

regular places in his line-up. That they are still not automatic selections is an illustration of Sacchi's confused tactical thinking, as is his persistence with the ponderous Casiraghi, who bas been warming the bench at Lazio for most of the last

It is hard to imagine him even being considered for a place in England's current squad, such is the embarrassment of riches available to Terry Venables in attack.

As for Roberto Baggio, a moody and sensitive player at the best of times, he is still struggling to shake off the niggling injuries which were so apparent in his remarkable performances in the US.

His cause is hardly being advanced by playing for a stale Juventus side which has plumbed new depths of tedium in its opening to the season Alongside Baggio is Gianluca Vialli, wbo might be said to be the living

nation's football. Once the golden boy of Sampdoria and the effervescent national side

metaphor of the torpor afflicting the



Vicini, Vialli, slowed by injuries and of sleekness, but he looks - and occapainfully lacking in self-confidence, is beginning to wear the haunted look of one who knows his best days are long

He has once more shaved his head assembled so skilfully by Azeglio in a vain effort to induce an illusion Ravanelli, labouring up front for this

The Howe memoirs

sionally plays - more like Marlon Brando's renegade Colonel Kurtz at the end of Apocalupse Now. The sight of Vialli and his even

more statuesque team-mate, Fabrizio

most famous of teams in world football, before a balf-full Stadio delle Alpi on a foggy, Turinese afternoon is not what we have come to expect at

Who will bring the sunshine back to

Italian football?

Continued from Page I

when be was dismissed as Foreign secretary in July 1989, in the reshuffle that followed Geoffrey's and my joint demorche on the eve of the Madrid EC summit. The draft resignation letter he then wrote, published in this book, gave as his reason for resigning partly the prime minister's "lack of confidence in our continuing partnership" (particularly over Europe) and partly (shades of the earlier Heseltine resignation) "my own developing anxiety at the way in which decisions are taken in the government."

Thereafter, be continued to brood about resignation, particularly after my resignation in October that year. But still, be would stillnot, I believe, bave taken that faleful step, which was to prove the final nail in Thatcher's political coffin, had sbe not persisted in behaving with reckless disre-

gard for his position and opin-

When Howe did eventually resign, there was initially some dispute as to what the issue between bim and Thatcher really was. This uncertainty can be attributed largely to the lack of frankness in the treatment of the European issue in their exchange of letters. When Geoffrey wrote in his formal letter of resignation

that "I am not a Euro-idealist or federalist", he may or may not have portrayed his true position. When she replied that: "We want to play a leading part in Europe and to be part of the further political. economic and monetary development of the European Community. We have always been the party of Europe, and will continue to be so," she was certainly not portraying hers. In retrospect, it might have been better if their differences on the issue of Europe had been properly thrasbed out within

the government.

The question, essentially, is whether, as the great bulk of the Conservative Party and indeed the people of this country would hope, there is a viable and attainable constitution of Europe that falls short of full federal union - and, if so, how best to achieve it. That has always been the question. I remember having a heated argument with Hugh Galtskell, not long before his death in 1963, in which he defended his vehement opposition, as leader of the Labour Party, to Britain's membership of what was then known as the Common Market, on the grounds

that there was no conceivable half-way house.

There is no doubt that any British government has an excruciatingly difficult hand to play. But the present prime minister could have made his task significantly less difficult if he had taken two comple-

mentary initiatives. The first is to undertake that if in the future (and It clearly could not in practice come during the lifetime of the present Parliament), the government were to conclude that the pound sterling should be abandoned in favour of a single European currency, the question would be so momentous that it would first be put to the

nation in a referendum. The second initiative would be to support the growing interest, especially in Ger-

many, for the adoption of a formal written constitution for what is now the European Union. This should state clearly which powers are reserved for the union, with everything else remaining with the still sovereign member states. Since part of the essence of a constitution is that it must be very difficult indeed to change, this should help end the fear that we are on an unstoppable federal cen-

Perhaps it is still just not too late for those two commonsense moves to be taken. If I have one regret about this important book, it applies equally to Thatcher's own memoirs. It is sad that most political careers end in disappointment, or worse, however

great the preceding achieve-

ment may have been; and memoirs written (as they must be) at the end tend to be excessively coloured by that disappointment - as Indeed the very title of this book bears witness Yet the truth is that the

Thatcher era, in which Howe played a crucial role, was a remarkable decade: an age of reform, an age of optimism, and an age of achievement. If there has been a fundamental change for the better in the centre of gravity of politics in Britain, and the election of Cony Blair as Leader of the Labour party suggests that there may have been, it is the decisive break that was made in 1979, and pursued with unflagging resolution and remarkable success throughout the 1980s, that has brought it

■ Nigel Lawson's own memoirs, The Vlew from No 11 -Memoirs of a Tory Radical, ore published by Corgi Books nt

Born to be partners spirited win in this tried to change me, he just motivated and encouraged week's Marlboro me," he said. Champlonships in At 15, Byron won the All

Tennis/John Barrett

Byron and Wayne Black over world No 1 Pete Sampras and fellow American Todd Martin, ranked nine, took me back to a day in the mid-1950s.

The Black brothers' father. Tennis Federation with help Rhodesia's leading Davis Cup player Don Black, bad put up from the Grand Slam Development Fund, which is financed with my inadequacles as a partner on the day in question by a \$2m annual contribution made hy the Compaq Crand to steer us to victory in the British Covered Court Championships at Queen's Club. from this scheme.

They were carefree days as around the world following the sun. Then, after getting the wanderlust out of our systems. and accepting that we would never win Wimhledon, we returned to the real world to make our livings and raise our

families. Don Black went bome to Rhodesia and shrewdly invested his modest savings in a piece of ricb farmland in Mandara, 10 miles from the

centre of Salisbury. He built a couple of grass tennis courts so that he could maintain his links with the game as captain of the Rhodesian Davis Cup team,

In 1965 Don married Velia Williams, from South Africa, whom he had met at a party after she returned from a short spell as a dancer on the London stage.

Byron was born in 1969, Wayne four years later, and both boys inherited their parents' athleticism. Almost before they could walk Don had put short, sawn-off rackets into their hands and they virtually grew up on the tennis court.

On November 11 1965, a few months after Don and Velia's marriage, prime minister lan Smith declared UDI and gradually the sanctions that were imposed began to bite. has appeared in winning Davis Cup teams - the Doberty Velia said: "Our business

was ruined. Don bad to turn to coaching to make ends meet. It was a nightmare. Then came war with all its hardships." After Robert Mugabe became

prime minister of the new Zimbabwe in 1980. Don built three more grass courts, plus a hard court, and developed his coaching business. Meanwhile, Byron's career

was taking off. He was considered the best junior in Zimbabwe with an unusual doublehanded style on both wings. "It was just natural. Dad never

Underwear.

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BBC2

12.20 Film: Confidential Report. A

Welles (1955).

1.55 The Sky at Night.

6.00 TOTP2

6.45 What the Papers Say.

7.00 News and Sport; Weather.

wealthy financier with no recollection of the past hires an American

adventurer to help bring back his memory. Thriller, sterring Orson

2.15 Timewatch. Report on cold war reconnelssance flights over the Soviet Union, which resulted in the loss of 40 Allied aircraft and 250

3.06 Heroes of the Earth. How everyday

3.45 Brighton International Tennis
Tournament. Sue Barker introduces
coverage of semi-linel day from the
Brighton Centre.

4.30 Snooker: Skode Grand Prix. Key

7-15 Assignment. Report on how organ-ised crime is increasingly infiltrating business and politics in France, a trend highlighted by the murder of Franch MP Yann Plat earlier this

8.00 The Shakespeare Laboratory. Con-

troversiel American director Peter Sellers' version of The Merchant of

Venice, which switches the action

venue, which switches the action from Renaissance Italy to post-riot Loe Angeles.

9.00 Will's World. Why the Elizabethans were feshion slaves, revealing the strict codes of practice which forced

9.10 Knowing Me, Knowing You – with Alan Partridge.

8.40 Elizabeth R. Final part of the award-winning drama, starring Glenda

11.00 The Last Word, New series. Debete from a female perspective, chaired by Germatne Greer, who is joined by regular guests Janet Street-Porter, Anne Leslie and Suzanne Moore.

12.45 Golf: The Salbeim Can.

1.45 Fast Forward.

1.15 (GMT) Close.

Snooker: Skoda Grand Prix. The

Second-day highlights from The Greenbrier, West Virginia.

BBC2

7.05 Tales of the Tooth Februs. 7.35 Bump. 7.40 Animal World. 7.50 Banky BB. 9.15 Playdays, 8.35 Moomin. 8.00 The Busy World of Richard Scarry. 9.25 Bitsts. 9.40 Conson the Adventurer, 18.00 Time-Busters. 10.30 Grange HB. 10.95 The Legand of Prince Vallent, 11.20 Bay City, 11.45 The O Zone, 12.00 Cusarbum Leep. 12.45pm Snowy River: The McGregor Saots.

2.00 Sunday Grandstand, Introduced by Sue Barker, Snooker: The opening

5.15 Rugby Special. Highlights of Bath v

Arms Park.

6.16 One Man and His Dog, Alasdeir
MacRee bakes on Simon Mosse in
the singles, while Derek Schingeour
competes against John Griffith in
the brace section of the first semi-

7.00 The Money Programme. America's

multi-billion dollar digeretts industry is coming under increesing fire as its products are barned from more and more public places. Steve Annelt investigates whether the tobacco

giants, already mired in a damaging price war, will be able to overcome these threats to their profitability.

7.40 The Car's the Star. Quentin Willson goes for a spin in the Citroen DS,

which swept the French off their feet when it was introduced in 1955, and continues to enjoy harmenso popu-larity on both sides of the Charmel. 9,00 Battle of Wills. Light-hearted over-

8.00 Bettile of Wills. Light-hearted over-view of the long-running debate about who really wrote Shake-spears's plays. Part of the Bard on the Box season.

8.60 Strings, Bows and Bellows. Par-cussion group British Ensemble Bash performs American composer John Cage's Third Construction.

8.00 Month Pethodo Efficient Circum.

9.00 Monty Python's Flying Circus. 9.30 Specier and International Golf.

2.00 Close.

Sphotor and pittermatures con-Snootor: The final frames of this year's Skoda Grand Prix. Golf: The Sofieim Cup - highlights of the 10 final-day singles on the Greenbrier Chempionehip course in West Vir-

Film: Violence: The Last Recort.

Award-winning German drame, star-ring Jurgen Vogel (1993). (English subtities).

frames of the Skocks Grand Prix. Final from Derby, Women's Tennis: The final of the Brighton Interna-

tional. Subsequent programmes may

Ground, the clash between newly promoted Sele and West Hardepool,

nd Cardiff v South Africa at the

1.30 Around Westminster.

closing frames of the second semi-

frames from the afternoon session of the second semi-final in Derby.

people are helping combat such global problems as poliution.

31 Rdxe4 Nxe4 32 Rxe4 Qf5

33 Rxe8 Rxe8 34 h4 Re2 35 d7 Ob1+ Not Oxd7? 36 Of8 mate

36 Kh2 Rxf2+ 37 Kh2 h5! 38

Qf8+ Kh7 and White lost on

time. There are no more

checks, and Black mates by

wins material

Qxh1 or Qf1+.

CHESS

TELEVISION

8.05 Open University. 12.00 Chemekye. (English subtities). 10.40 Network East. 11.10 Style Today, 11.05 Film 94 with Barry Norman.

7.00 Lassis, 7.25 News, 7.30 Pingu, 7.00 Heppy Sirinday, 7.45 Mariene Mariowe investigates, 8.05 Abort the Pith Musisseer, 8.30 The New Adven-tures of Superman, 9,10 Live and Kicking.

BBC1

12.12 Weether.
12.15 Grandstand. Introduced by Steve Rider. Including at 12.20 Football Focus. Review of the week's European cup competitions. 1.00 News. 1.05 Rugby League. 1.15 Racing from Newbury: The 1.20 Breaders Cup Gala Evening Rated Stakes. 1.30 Shooker: Stoda Grand Prix. The second semi-final from Derby. 1.45 Racing: The 1.50 Newgate Stud Racing: The 2.20 Rugby League. 2.15 Racing: The 2.20 Castrol St. Simon Stakes. 2.30 Rugby League. Great Britain v Australia. Live coverage of the First Test from Wembley

age of the First Test from Wembley Stadium, as Ellery Hanley's team takes on the world chempions. 4.40 Final Score. Times may very.

Final Score. Times may vary.

5.15 News.

5.26 Regional News and Sport.

6.30 Stave Wright's People Show.

6.10 Bruce Forsyth's Generation Game.

Bruce Forsyth and Rosemarie Ford host the family game show, helping more contestants reach the prizelacin conveyor belt.

7.10 Noel's House Party. New series.

Noel Edmonds rearms with a feest of fun, cornedy and entertainment, featuring special guests Roger

1,111.11

tenturing special guests Roger
Moore and Allan Lamb.

8.00 Casualty. A young man's loyalties
are tested when a long-standing
foud crupts into violence. Mike and Rachel's professional relationship improves after an emergency helicopter ride to the scene of a shoot-ing. Adam requests a personal tayour from Ash, and Eddie agonises

avour non Asin, and social agontses over breaking bad news to Holby's longest-standing staff member. 8.50 News and Sport; Weather, 6.10 Film: Regarding Henry. Premiere. Harrison Ford plays an unscrupulous lawyer forced to start a new life after a shooting incident leaves him been ed. Drama, with Annette Bendamaged. 1 Ing (†991).

Match of the Day. Desmond Lynam and the team analyse highlights of two top matches in the FA Premier-10.55 M ship. Plus goals from the day's other

sup. rus goals from the day's other games.

11.86 The Danny Baker Show.

12.40 Film: Hearts of Fire. Contemporary musical drams charting the rise of an aspiring rock 'n' roll singer (Fiona Fianagen). With Bob Dytan and Rupert Everett (1987).

1-10 (GMT) Weather,
1-15 Closs.

BBC1

7.25 The Men from U.N.C.L.E. 8.15 Breekfast with Frost. 9.15 Decisions, 9.30 This is the Day, 16.00 See Heart 10.30 French Experience, 19.45 Easy Montey, 11.00 The 11th Hour,

2.80 The Story of Snow White. The his-tory of the cleanic Disney animation, which was finally released this week

3..20 Junior Masterchef, Sheun Hill and Kitch Mirylees judge the culinary efforts of contestants from East Sus

3.50 The Queen in Passie. Coverage of this week's historic visit, the first

4.35 Motor Show 94. Coverage from the National Exhibition Centre in Bir-

5.25 The Clothes Show. Reviews of

some of Europe's top catwalk

7.00 Children in Need: The Recipe for

7.10 Lovejoy. The antiques deeler com-petes with his old mentor to get hold of a priceless 16th century

9.00 Seeforth. Bob disappears in pursuit of an escaped German officer, and is reported killed in action after o

10.35 Heart of the Metter. Investigation into whether the Church's views on homosexuality and adultary should

11.50 The Deliberate Stranger. First of a two-part true-life drama based on the menhunt for Ted Bundy, one of American

ers. Mark Harmon stars.

America's most notorious serial kill-

8.10 Farming Today

9.00 News.

9.30 Breekun

9.05 Sport on 4.

10.00 Loose Ends. 11.00 The Week In

11,30 From Our Own

19.95 The News Cutz.

1.10 Any Questions?

5.00 File on 4.

12.00 Money Box. Financial

5.40 A Short History of the Lettuce. Bizarre dietary advi

80 Postcard from Gotham.

7.20 Kalekioscope Feature.

7.50 Saturday Night Thesize Final Cut. Rob Gittins's drama about a movie buff who confuses fact with fiction while planning a murder.

12.15 Quota Unquota. 10.45 Chocolate Nuns and

6.00 News and Sports. 6,25 Week Ending.

9.20 Music in Mind.

9.50 Ten to Ten. 16.00 News.

6.00 Prayer for the Day. 7.00 Today. Round-up of the

decomposing body is found wearing his uniform.

the charity is organised.

8.00 Last of the Summer Wine.

8.30 Birds of a Feather.

9,50 Nows and Weather. 10.06 Wax Meets Madowns.

11_10 International Dencing.

1.20 Weather.

BBC RADIO 2

BEC RADIO 9

6.20 Open University: VIPs. 6.55 Weather, 7.00 Record

Review Augusta Haimes, Mazzart, Aliven, Pelestrins, Saint-Spens, 9.00 Building a

Saint-Seens, 9.00 Building a Library, Bach's Four Orchestral Suites, by Grahem Sactian.

10.15 Record Releases, Morales, Anon, Anchriessen, Messissen.

12.00 Spirit of the Age. 1.05 Role Play. 1.25 Remence Guitar. 1.85 Vintage Years. 2.56 Live from Covent Garden. Act One of Wagner's Die Walture. 8.00 Music Matters. The role of the military bend. 5.45 Die Walture. Acts Two and Three. 2.95 Short Story: The Free

8.00 Sujeta Barot, 5.05 Brian Matthew, 10.00 Judi Spiera.

Matthew. 10.00 Judi Spiera.
12.00 Hayes on Saturday. 1.20
The News Huddilines. 2.00
Merth Kainer on Saturday. 4.00
Gespel Show. 7.00 The Golden
Days of Radio. 7.30 Finian's
Rainbow. 19.00 Sheridan.
Morisy. 12.06 Ronnie Hilton.
12.35 Adrien Finighan. 3.00
(GMT) Sujeta Barot.

sex, Bushey and High Wycombe in the first semi-final.

time a reigning British monarch has set foot on Russian soil.

ningham, featuring the new Aston Martin DB7 and Caterham C21.

shows, including British Designer of the Year John Galliano's in Paris.

Success, Jane Asher exemines how

Samurai sword stolen from a ruth-less businessman's house.

12.25 Weather for the Week Ahead;

12.00 Country/Rie.

12.30 On the Record.

on video.

6,05 Nows.

6.25 Songs of Praise.

1.30 EastEnders.

SATURDAY

LWT

6.00 GMTV. 9.25 Wher's Up Doc? 11.20 The ITV Chart Show. 12.30pm The Littlest Hobo.

1.00 ITN News: Weather: 1.05 London Today; Weather.

Susan Sarandon with Tommy Lee Jones. 1.40 WCW Worldwide Wrestling

2.50 Life Goes On. 3.45 Burke's Law. 4.45 ITN News and Results; Weather.

6.20 Baywatch. Part two. Hobie, Riley and Jacide fight for their lives following the earthquake, while Matt and Mitch set up a dering reacue operation. David Hasselhoff stars.

6.10 Gladiators. 7.10 Blind Date.

8.40 ITN News; Weather.

9.00 An Audience with Jimmy Tarbuck.
The Liverpudien comedian enter-tains an audience of showbiz peers with comic anecdotes about his life and career, and a rare musical ses sion alongside Hank Marvin.

10.00 Film: Stience of the Lambs.
Premiere. Oscar-winning thritler
starring Jodie Foster as an FBI

12.15 Film: The California Kid. A sheriff with a habit of murdering speeding motorists is forced into a car dual with the brother of one of his vic-

1.35 Love and War, ITN News Head-

3.00 The Big E; ITN News Headline

SUNDAY

6.00 GMTV, 8.00 The Disney Club, 10.15 Link, 10.30 Sunday Methers, 11.00 Morning Worship, 12.00 Sunday Metters, 12.30pm Crossfalls, London

LWT

CHANNEL4

5.05 4-Tel On View. 6.35 Early Morning, 9.45 Biltz. 11.00 Gazzetta Football Italia. 12.00 Sign Or: Deaf World. 12.30pm The Great Maratha. (English subti-ties).

1.90 Film: Showboat. Musical charting the lives and loves of performers on o Mississippi paddle-steamer. Kath-nyn Grayson, Ava Gardner and Howard Keel star (1951).

3.00 Racing from Doncaster, Coverage of the 3.10 Levy Board Nursery Handleap, 3.40 Racing Post Trophy, 4.15 Doncaster Stakes, and the 4.45 Ladbroke Handicap Stakes,

5.05 Brookside.

6.30 Right to Repty. Roger Bolton presents viewers' opinions about TV.

7.00 A Week in Politics. New series. informed look at the current political climate in Britain as the parties return to Westminster after their annual conferences. With Vincent Hanna and Andrew Raymsley.

8.00 For Love or Money. Nicholes Ward-Jackson reports on the controversial Getty Museum, the world's weelthi-est art institution, which recently hit the headlines when it attempted to purchase The Three Graces statue. Plus, a preview of the biggest sculp-ture sale in years and a catebration of magic lanterns and other forerun-ners of the cinema.

9.00 Bridge of Christ. The arrival of a male convert causes a few starry-eyed glances among the sis-

10.05 Rory Bremner: Who Else? Satirical comedy and impersonations

10.45 Film: The Voyage. Argentine chama charting a man's surreal journey Fatte: 118 Worges. Argentine crams charting a man's surreal journey across Latin America in search of his father. Directed by Fernando Solanes and starring Waiter Quiroz, Soledad Alfaro, Ricardo Bartis and Christina Becema. Part of the Cincers Characters. (1994). "Cardiological Christians and Christians Becema." ema Cinema season (1991). (English

1.10 Late Licence.

1,20 Herman's Head.

1.55 Let the Blood Run Pres. 1.25 (GMT) Wax on Wheels.

2.10 This is David Harper.

2.45 Packing Them In.

30 Qb4 Qb3 The threat Ng4

REGIONS

ITY REGIONS AS LONDON EXCEPT AT THE POLLOWING TIMES:

12.30 Movies, Games and Videos. 1.00 Border News. 1.10 Nigel Mansell's IndyCar '94. 1.40 Superstars of Wrestling. 2.25 The A-Toern. 3.20 Contr. Gara, (TWA 1977, 8.00 Border News and Westler 6.15 Border Sports Results.

TO CARDITION OF THE CONTROL SHOULD CARDITION OF THE CARDI

CHANAGEL:
11.30 COPS. 12.00 The ITV Chert Show. 1.05 Channel Diary. 1.10 Yesterday's Heroes. 1.40 Self the World. 2.10 Hercules in New York. (1970) 3.50 Kright Rider. 6.05 Channel News, 5.10 Puffin's Platings. 5.10 Cantoon Time.

Caracteristics of the Control of the

12.30 Movies, Garnes and Victors, 1,05 Granede News 1,10 Nigel Mansel's IndyCar 194, 1,40 Super-stars of Whestling, 2.25 The A-Team, 3,20 Cover Girls, (IVM 1977) 6.00 Graneda News 5.05 Gran-

HTM: 12.30 The Munsters Today, 1.05 HTV News, 1.10 Best of British Motor Sport, 1.40 Nigel Manaell's IndyCar '94. 2.10 Cartoon Time, 2.20 Movies, Centes and Videos. 2.50 The A-Team, 3.45 Knight Ridor, 5.05 HTV News and Sport 8.65 HTV

INITIADIAN: 11.05 COPS, 12.00 The ITV Chart Show, 1.05 Meridian News, 1.10 Yesterday's Heroes, 1.40 Sall the World, 2.10 Herouses in New York, (1970) 3.50 Kriight, Filder, 5.05 Meridian News, 5.10 Cantoon

REGIONS

ITY REGIONS AS LONDON EXCEPT AT THE POLLOWING THINES:-

12.30 Reflections, 12.35 Rendez-Yous Dimenche, 12.50 Telejomal, 2.00 Carloon Time, 2.10 The Pier, 2.35 The Listings, 2.40 The Meridien Match - Live, 5.25 Dhosaura, 5.56 The Village, 6.25 Channel News, 11.45 The Pier,

GRAMMFLAN:

11.00 Sunday Service. 11.45 Elkon, 12.00 Gardeners' Diery, 12.55 Grampian Headlines. 2.00 Scot-sport, 3.15 The Mountain Bike Show, 3.45 Highway to Heaven. 4.40 The River. 4.55 Pick a Number. 6.25 Movice, German and Victore. 6.25 The Business Germa. 6.25 Grampian Headlines. 6.25 Grampian Weather. 10.40 Grampian Weather. 11.45 Prisoner: Cell Block H. GRAMADA

ORAMADA:
12.26 Close to the Edge, 12.56 Granada News 2.00 Hot Wheels, 2.30 The Long Strips, (1964) 4.50 Bugs Bussy, 5.00 Disneys The Lion King Film Premiers, 5.30 Coronation Street, 6.25 Granada News 11.45 Prisoner, Cell Block H.

Prisoner: Cell Block H.
HTV:
12.25 The Wrap, 12.35 HTV News, 2.00 Limited
Edition, 2.00 Michreek, 8.00 The West Match, 3.30
The Great Belicon Adventure, (1978) 3.10 Certoon
Time, 6.25 Country Watch, 8.05 Up Frond 8.25 HTV
News, 10.40 HTV Westlier.

12:30 Soven Doys. 12:50 Meridian News. 2:00 Cartoon Time. 2:10 The Pier. 2:35 The Listings. 2:40 The Meridian Match - Uvo. 5:25 Dinosaurs. 5:55 The Village. 6:25 Meridian News. 11:40 The

SCOTTIBLE
11.00 Sunday Service. 11.45 Elton. 12.30 Scotland
Today, 12.36 Stoceth. 2.00 Scotland. 2.35 The
Living Daylightz. (1967) 5.30 Knight Rider. 6.25
Scotland Today 10.40 Scotlash Weather. 10.45
Don't Look Down. 11.30 The South Bank Show.
TYPER THER:
12.25 Newsweek, 12.00 Tyne Tees News. 2.00 The
Muniters Today, 2.30 Tyne Tees Match - Live. 5.05
Dinchaum. 0.30 Animal Country. 6.00 Tyne Tees
Weekynd. 11.40 The Powers That Be.
WEETTCOUNTRY:

uman TUJUNETHY:
12:30 Westcountry Update. 12:85 Westcountry
News, 2:00 Not Wheels, 2:00 Vet. 8:00 The Arrisoing Captain Nemo. (1978) 4:50 Westcountry Carrieos, 6:00 Blooming Marvellous, 6:30 Father
Dowling Investigates. 8:25 Westcountry News 10:40
Westcountry Westher, 11:40 Prisoner, Cell Block H.
VORECESTRUE.

Violencements. 12.28 Kick About. 12.50 Calendar News, 2.00 Highway to Heaven, 2.55 The Swiss Family Robinson. (1960) 8.06 Dinosaum, 5.30 Animal Country, 8.00 Calendar News and Weather 10.40 Local Weather. 11.45 The Powers That Ba.

News. 8.09 Words of Faith. 8.15 The Greenfield Collection.

2.00 World News and Bushness Review. 9.10 Short Story. 9.30 Folk Routes. 9.45 Sports Roundup. 10.00 News Surranery, Science in Action. 19.30 in Praise of God. 11.00

10.30 in Praise of God. 11.00 Newsdesk. 11.30 SeC English, 11.45 News and Press Review in German, 12.00 News Summary, Pley of the Week Human Landscapes. 1.00 Newshour. 2.00 News Summary, Turley Sesson, 2.30

Human Landscapes. 1.00 Newshour. 2.00 News Summary, Turkey Season. 2.30 Anything Goes. 3.00 World

Anything Goes. 3.00 World News. 3.15 Concert Hall. 4.00 World and British News. 4.15 BBC English. 4.30 News and teatures in German. 5.00 World News and Susiness Raview. 5.15 BBC English. 6.00 Newsedesk. 6.30 News and features in German. 6.00 World News. 8.10 Words of Faith. 8.15 Printage 0.0018. 8.30

8.15 Printer's Osvil. 8.30 Europe Today. 2.00 Newshour. 10.00 World News and

Weather. HTV Wales as HTV excepts

12.00 The Gen.

Saturday WILSTCOUNTRY:

Judit Polgar has been a match for the world's top men at Buenos Aires, where all games open with the Sicilian Defence 1 e4 c5. POLLOWING TRIBES:-ANGLAR 12.50 Movies, Games and Videos, 1.05 Anglis News, 1.10 Nigel Mansell's IndyCar '84, 1.40 Rob-bory, (1887) 3.45 Kinght Rider, 5.05 Anglis News and Sport 8.55 Anglis Weather.

The event is the brainchild of Joop van Oosterom, the millionaire who sold out his Rotterdam computer business to invest the proceeds in chess. Only Kasparov and Kramnik

are missing from the world's top eight in Buenos Aires, but the lively Sicilian suits the imaginative talent of Polgar.

Here she crushes the American who recently beat Nigel Short (G Kamsky, White; J

Polgar, Black). 1 e4 c5 2 Nf3 e6 3 d4 cxd4 4 Nxd4 Nf6 5 Nc3 Nc6 6 Ndb5 d6 7 Bf4 e5 8 Bg5 a6 9 Na3 Be6 Polgar prefers unbroken pawn structures, so avoids b5 which allows 10 Nd5 and Bxf6. 10 Nc4 Rc8 11 Bxf6 Qxf6 12 Nb6 Rb8 18 Ncd5 Qg6 14 Qd3 Be7 15 g3 Book is 15 Nc7+ Kd8 16 Ncd5 followed by 0-0-0 "with

advantage to White" but clearly both players disagree. 0-0 16 Bg2 Bd3 17 0-0 Kh8 18 Ne4 Ne7 19 Qe3 Bxd5 20 exd5 Bc7 21 Rad1 Ng8 22 Na5 f5 28 advance of Black's f pawn; bet-

c4? Underectimating the ter 23 f4 when the result

Nf6 28 cxd6 Qg4 29 Rd4 Rbe8

remains open. f4 24 c5 f3! 25 Bh1 Bxa5 26 Qxa5 e4 27 Rfe1

You do not have to be Kasparov, or even a chess player, to solve this week's puzzle. The eight pawns have to be placed so that no more than one pawn is on any horizontal rank, ver-

tical file, or diagonal. There are several solutions, with a common theme. Fast solving is 20 minutes for an answer, 30 for answer plus

> Solution, Page XIV Leonard Barden

cashed the two top diamonds

and ruffed a low diamond in

hand. West failed to follow suit

and the contract was doomed

and South went one down. He

could set up a diamond trick

but he could not get back to

the table to enjoy it.

BRIDGE

My hand today, from queen. Ruffing on the table, teams-of-four, teaches a valu-able lesson. Here is Timing the declarer drew two rounds of trumps with ace and king.

SCOTTISH:
12:30 Extra Time. 1.05 Scotland Today, 1.10 Feith,
Nope and Calamity, 1.40 Teleflox, 2.10 Frazze
Frame. (1989) 3:40 Sons and Daughters. 4.10 Take
Your Fick. 4.40 Carloon Time. 5.05 Scotland Today
8.55 Scotland Weather.
TYRE TEMES:
12:30 Movies, Games and Videos. 1.05 Tyne Tees
News. 1.10 The Fall Guy. 2.05 Two and Two Malco
Six. (1961) 3:45 Kright Filder, 5.05 Tyne Tees
Saturday A A 6 2 ♥ J 7 4 NMSTYCOUNTRY?
12.30 Movies, Garmes and Videos. 1.05 Westcountry News. 1.10 Nigel Ments/Fs IndyCar '94. 1.40 Garss of the Timberlank. (1960) 3.30 Cartoon Time. 2.45 Discountry News 5.65 Westcountry Westfler. VORSCOMPRES. 4.15 The Mountain Bits Show. 5.05 Westcountry Westfler. VORSCOMPRES.
12.30 Movies, Garnes and Videos. 1.05 Calendar News. 1.10 The Fall Guy. 2.05 Two and Two Meles Str. (1961) 3.45 Knight Rider, 5.05 Calendar News. 8.10 Scoreline. ♦ AK873 **‡** 10 3 W ↑ K 10 9 3 ♥ 9 5 ↑ 10 2 ‡ K Q J 8 2 ♣ J85 ♥ Q 102 ♦ Q 964 ♣ 974 S **Q74** ♥ A K 8 6 3

Ruff:

4 A 6 5 With East-West vulnerable, South dealt and bid one heart. North replied with two diamonds, South re-bid two hearts, and North's raise to

four hearts closed the auction. West opened with the king of clubs, East dropping the four to show three cards. The declarer took with his ace and followed with the three. West

POLLOWING TRANSC-AMBLIA: 12:30 Bodyworks, 12:55 Anglis News, 2:00 Father Dowling Investigates, 2:65 Iddi-Off; 3:45 Carbon Times, 4:00 The Queet, (1976) EAR Helstoon, 8:15 Anglis News on Sunday 10:40 Anglis Weather, 11:45 Street Legal, anniverse: 12.30 Gerdeners' Diary, 12.55 Border News, 2.00 Scottsport, 3.15 Hot Wheels, 3.46 The Amezing Mr Blunden, (1972) 5.35 Coronation Street, 8.25 Border News, 11.45 Preparer; Cell Block H. won with his knave and, after CRIMITERALS

12.30 Cantral Newsweek, 12.55 Central News 2.00 Xprees, 2.30 The Central Metch = Live, 4.66 Gendering Time, 5.20 It's Your Shout, 5.55 Hit the Town, 8.25 Central News 10.40 Central Weather, 11.46 Prisoner, Cell Blook H. thought, continued with the

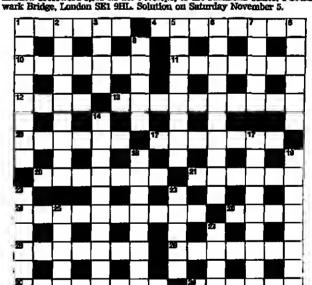
Full marks to West for forcing South to take the ruff too early. South went wrong at trick one. He should allow the king of clubs to hold - this maintains control. He wins the next club, then cashes ace and

king of hearts and ace and king of diamonds, He can ruff a diamond in hand and now ruffs his last club. This entry to dummy allows him to ruff another diamond (setting np the suit), cross to the ace of spades and return the eight of diamonds, on which he discards a spade. Whether East ruffs this or discards is imma-

E.P.C. Cotter

CROSSWORD

No. 8,591 Set by DINMUTZ A prize of a classic Pelican Souveran 800 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday November 2, marked Crossword 8,591 on the envelope, to the Financial Times. 1 Southwark Bridge, London SE1 9HL. Solution on Saturday November 5.



ACROSS 1 Happy about loose clusters of stars? (6)
4 Man's man, possibly? (8)
1 Lag, perhaps with nothing inside taking time? (8)
2 Tomato relish by Granny

10 Counter above it repair 11 Detect a paper cut (7) 12 Pound flutter? (4) 13 Facing being plastered and stoned (6-4) 15 Head for resort (6)

16 Edge between two graduates, using African instrument (7) 20 Converted into ordinary lan-

guage, fish in river died (?)
21 Foot-fault in Bournemouth's
first match (6)
24 Invariably cold sheets under one? (10)
26 One who employs some 17 Butterfly found on timbers possibly (9) 18 Lear sick in iron ship, but

house-rules (4)
28 Can in valley reveals piece of tooth (7)
29 Milk of former pilot, perhaps?

most brave (8)

1a Lies in furrow in Hunts, ploughed (8) 22 Digger's suit (6) 30 Most direct beach-trial 23 Grey, as over Orpington pos-annumiced (8) 23 Grey, as over Orpington pos-

announced (8)

31 Moths, for example, caught out in garment pieces that are introduced (6)
Solution 8,590

Solution 8,579

sthly (5)

\$5 Round number? (5)

\$7 Brisk drive...second to the flag (4)

Solution 8,579

DOWN

Smith (4-5) Cross-beam seen over hospital door (1-3)

door (1-3)
Jerome's musical craft? (4,4)
Sparing enough to make
besom a suit (10)
Skin right inside Edam is not

righti (5) Give back sound of wild

cheer, nothing more (2-4)
Bulldoze flat (5)
One who opposes the unions?

ν



WINNERS 8,579: R.G. Mackintosh, Huddersfield; A. Barton, Craven Arms, Shropshire; Mrs B. Crabtree, Market Deeping, Peterborough; A.R. Gordon-Cumming, Chichester, W. Sussex; Mrs H.A. Harrison, Epsom, Surrey; B. and G. Parker, St Sernin, France.



1.10 Movies, Germes and Videos.
Reviews of new cornedy Airheads,
starring Brendan Fraser, and legal
drame The Client, which teams

2.30 Saint's Soccer Sidits. West Ham toothelier Tony Cottee and Spurs star Jurgen Kinsmann pass on tricks of the trade.

5.05 London Tonight and Sport; Weather.

8.10 Family Fortunes. The Jeggers from Essect by to outdo the Foster family from Scunthorpe, hoping to begithe £3,000 jackpot and a lucury saloon

8.55 London Weather.

agent who enlists the help of an imprisoned psychopath (Anthony Hopkins) to track down a brutal serial killer (1990).

tims. Thritter, with Martin Sheen (TVM 1974).

1.05 (GMT) The Best of The Restauran 2.05 Tour of Duty.

3.56 European Nine-Ball Pool Masters 4.55 BPM.

3.25 Close.

1.15 Football Italia. Reigning champions AC Milan take on Sampdoria in e top Serie A clash.

3.30 Film: Dentist on the Job. Two newly qualified dentists unwittingly get involved in the invention and promotion of a new toothoaste. Brit ish farce, starting Bob Monkhouse ste. Brit-(1961).

5.10 Belfast Lessons. Final compilation of reports from Hazelwood College.

5 20 First Battle for the Planet of the Apex. Intelligent chimps, walke goritas and human mutants struggle for control of a post-epocalyptic Earth. SF adventure, starring Roddy McDowall (1973).

7.00 Equinox. Insight into the lives of seilors, Marines and pilots serving on board aircraft carrier USS Theodore Roosevelt. The film follows the ship into the Red Sea as It supports the US attacks on Bachdad, then selfs with it through the Suez Canal and across the Mediterraneen, where the air crews fly combat patrols over Bosnia.

8,00 Beyond the Clouds, Teacher Lu

9.00 Film: Hollywood Cowboy. Affectionate portrait of 1930s movie-making, staming Jeff Bridges as an aspiring Western writer who becomes a sturit man with a lowbudget film company (1975).

ended with them standing trial for the murder of her common-law hus-

12.40 Film: A Song for Beko. Drama chronicling a young man's despe-search for his brother during the tologing stages of the lear-trac war. Nizamettin Aric stars (1992). (English subtitles).

CHANNEL4

6.00 Bitz. 7,10 Early Morning. 18.00 Denois. 18.15 Seved by the Bell, 10.45 Rewhide, 11.45 Little House on the Preirie. 12.45 pm The Humble Bee.

returns to find his students have falled their exams and immediately sets about knocking them back into shape. (English subtities).

10.55 Lovers on Trial. The story of Marie-Louise Gosset's II-fated affair with Christian Fernandez, which

1.00 ITN News; Weather. 1.10 Walden. Shadow Cabinet member David Blunkett discusses what he thinks should replace Clause 4 of

Labour's constitution. 2.00 COPS. Saint's Soccer Stillis, Isn St John and guests Tony Cottee and Jurgen Klinsmann present soccer tips for

youngsters.

2.40 Sunday Metch, Portsmouth v
Middlesbrough, Jim Rosenthal preeents full coverage of the First Division match from Fratton Park.

5.18 Father Dowling Investigates. The religious sieuth gets caught up in a top security investigation when a member of his parish is accused of

steeling confidential documents.

6.10 London Tonight; Weather.

6.30 ITN News; Weather.

6.40 Schoffeld's Quest. Phillip and his

seriorieurs expest. Primp and res team of ace investigators explore British's most haunted village and investigate poliution on English beaches. 7.30 Heartbeat. Nick and Kate investigate a suspicious death at a hunt meeting, while Greengrase is drawn into the murky world of cock fight-ing. Nick Berry stars.

8.30 You've Been Framedi 9.00 London's Burning. Bue Watch makes use of Hallam's specialised training to tackle a blaze aboard the Woolwich Fany, while Kevin and Sally's relationable reaches crisis 19.00 Hale and Pace.

10.30 ITN News; Weather. 10.40 London Weather. 19.46 The South Benk Show. Tribute to planiet George Shearing, who was born blind but overcame his disabil-

born blind but overcame his disablity to become one of the world's greatest lazz artists. With contributions from Cleo Laine, Johnny Dankworth and Stephane Grappell.

11.45 You're Booked! Book reviews and gossip, presented by James Whale and Eve Pollard. 12.16 Cue the Music.

1.15 Married - With Children.
1.45 Get Stuffed; ITN News Headlines.
1.50 Film: Country Gold. Drama, with Loni Anderson (TVM 1982).
3.55 Get Stuffed; ITN News Headlines. 3.40 Film: First Steps. True-life drama, sterring Judd Hirsch (TVM 1985).

8.25 Get Stuffed.

RADIO

SATURDAY Notes. 11,30 Death Comes Str Gillan Slovo's detective mystery. 12.00 News. 12.33 Shipping Forecast. 12.43 (LW) As World Service. 12.43 (FM) Close.

BBC RADIO 5 LIVE 6.00 Dirty Tackle. 6.90 The Breakfast Programme. 8.00 Weekend with Kershaw and Whitzier. 11.05 Special Assignment 11.35 Crime Desk. 12.00 Andday Edition. 12.15 Sportsoni. 1.10 Any Caussons?
2.00 Any Answers? 071-580
4444. Listeners' comments.
2.30 Playhouse: My Cousin
Rechel. By Daphne du Mauri.
4.00 That's History. 1.05 Sport on Five. 1.05 Str. O-Str.
7.35 Security Edition.
9.05 Agian Perspective.
9.25 The Gossip Column
10.05 The Treatment.

11.00 Night Extra. 12.05 After Hours.

2.06 (GMT) Championship

WORLD SERVICE BBC for Europe can be received in western Europe on Medium Wave 648 kHZ (463m) at these times 267: BBC for Burope can be the Week: Human Landscapes. reactived in western Europe 2.00 Newsdeek; 2.20 Creeds, 460sw) at these times 387: 460sw) at these times 387: 3.00 World and Dittah News. 3.00 Nord News. 3.15 Sports Roundup. 3.30 Morganmagazin. 7.30 Europe From Our Own Comespondent. Today, 3.00 World News. 3.15 Write On. 4.00 Newsdeek. Waveguide. 3.25 Book Choics. 4.30 BBC English, 4.45 News. 5.30 People and Politics. 2.00

World News. 9.09 Words of Faith. 2.15 A Jolly Good Show. 10.00 World News and Sualness Report. 16.10 Worldbrief. 10.30 Development 94, 10,45 Sports Roundup. 11.00 Printer's Devil. 11.15 Letter from America. 11.30 Waveguide. 11.40 &ook Choke. 11.45 From the Weekligs. 12.00 Newsdesk. 19.90 RBC English. 12.46

Choice. 11.46 From the Weekles. 12.00 Newsdesk. 12.30 BBC English. 12.48 Mittagemagazin. 1.00 World News. 1.00 World News. 1.00 World of Faith. 1.16 Multimack Alternative. 1.40 Sports Roundup. 2.00 News Summary; Sportsworld. 5.00 World and British News. 5.10 aBC English. 5.30 Heute Aktuell. 6.00 News Summary. 6.05 Waveguide. 6.16 BBC English. 7.00 Newstand Returns in German. 8.00 World News. 9.10 Worlds of Faith. 8.10 Development 94. 9.30 Jazz for the Asking. 10.00 Newstour. 11.05 World News. 1.1.05 World sold British News. 1.105 World and British News. 1.10 Good Books. 1.30 The John Dunn Show. 1.00 (3MT) News Summary; Play of the Weelc Human Landscapes. 2.20 Newsdesk. 2.20 Creeds, Councils and Oontroverses. 2.20 Newsde and British News.

T.00 Don Maclean, 9.05
Michael Aspal. 10.30 Hayes on Sunday, 12.00 Deamond 7.00 News.
2.00 David Jacoba. 4.00 Tex of the Grand. 4.30 Sing Something Special. 5.00 Charle Chester. 6.30 Florate Hitton. 7.00 Richard Salaer.

3.30 Sunday Helf Hour. 8.30 Normale Papers.
Alan Kaith. 10.00 Regime.
12.05 Charles Nove. 6.05 Alex.
11.15 MediumWeve.

REC RADIO 3 Auto Weether. 7.00 Secred and Profess. Bach, Reper, Neubeuter, Telemann, Heydn. 8.56 Choice of Three. 9.00 Brian Kay's Sunday Morning. 12.15 Music Metters. 1.05 Neub Coccephia, Livermal 12.15 Müsic Matters, 1.05
Nech Ersemble, Hummel,
Weber, Schubert, 6.00 Young
Artists' Forum, New aerles,
Sahn-Saena, Dutilleur,
Schumern, Dohnanyi, 4.30
Sedin Philhermonic Orchestra,
Wagner, Ligeti, Kurtag,
Beethowen, 5.45 Mething
Waves, Novelist Cohm Tolbin
discusses this European travels,
6.30 BBC Lunchtime Concert,
Meritru, Beethoven,
Lutoelweid, 7.30 Feust: Part,
One, Goethe's classic play,
9.55 Music in Our Time.
Bernard Pands, John Camban,
Bernard Pands, John Camban, Bernerd Rands, John Casta Edison Denisov, James Elle, 11.10 Choir Works. John

ner. 12.30 Close.

8.30 Morning Has Broken. 7.15 On Your Farm. 7,40 Sunday. 8.00 The Week's Good Cause.

9.15 Letter from America. 10.15 The Archers. Oronibus. 11,45 Enting Out. 12.15 Depart Island Discs. 1.00 The World This Weekend. 2.00 Gerdenem' Oue 2.30 Chassic Serial: 3.30 Pick of the Week. 4.15 Analysis. 5.00 Hack on the Cut. 5.30 Poetry Please! 8.00 Stx O'Clock News 8.15 Tides of History. 8.30 Children's Radio 4.

100 (FM) The Natural History Programme. 2.15 (LW) Mitchell Am Rhein. 8.30 (FM) One Step Beyond. 8.45 (LW) Short Stories in French: Le Petit Fur. 10.00 News. 10.15 Journeys to knaginary

7.00 in Business.

5.00 (FM) That's History.

6.00 (LW) Writer's Weekly. 8.30 (FM) Partners in Crime. 8.30 (LW) The French

Pisces. 10.45 Still Lives. 11.10 With Great Piecs 11.45 Seeds of Faith. 12.00 News. 12.80 Shipping Forecast. 12.43 (LW) As World Service. 12.43 (FM) Close.

12.00 Middey Edition. 12.15 The Big Byte. 2.00 Sunday Sport. 6.05 Jim and the Doc. 7.05 News Extra. 7.35 The Acid Test. 6.00 The Ultimate Preview. 10.05 Special Assignment. 10.85 Crime Deek 11.00 Night Extra. 12.05 Nightcall.

(etchn) at these times BST:

8.00 News and features in
German. 6.30 Jazz For The
Asking. 7.05 World News, 7.16
Composers' Journeys. 7.30
From Our Own Correspondent.

7.50 Write On. 8.00 World
Fullmagszin.

Journeys. 2.90 Newsdank. 2.30
Composers' Journeys. 7.30
Goes. 4.00 Newsdask. 4.30
Fullmagszin.

Fullmagszin.

SUNDAY

BBC RADIO 5 LIVE 6.05 Hot Pursuits. 6.00 The Breaklast Program 1.05 Top Gear. 1.00 Carol Smillie's Blue Skies. 2.00 You Cannot Be Serious!

Business Review, 10.15 Meridian, 10.45 Sports Roundup, 11.05 Newsdest, 11.05 Turkey Season, 12.00 World and British News, 12.15 world and British News 12.00
world and British News 12.00
For Europe can be received in western Europe con Medium Wave 646 MZ (650m) at these times BST:

8.00 News and features in Comments and Section in Comments and Secti

RELATION COLLOP D A D P VE L BARBARIC BEWARE U I S N D R R A STARTLIRG SINUS T T O R P I U ETDN ELEANDR P A E N G E REPOSED MADE O P T U O S U MARIA CDNTRACTS O A M K I E R U TWINED STEADIER E S N D L P E SWEETS PROMPTER

U. TOR

Wallette, Adia 140 and 150 and 20, 20 Short Stoy: The Free Radio, By Salman Rushdie, 8.40 Brahms. 10.10 The Schoenberg Questate. 11.00 impressions. Plantst Juden Joseph discusses his Wigmore REC RADIO 4

onsidering he was regarded as one of the towering intellects of his generation, appointed a university professor at the age of 24, and acknowledged as a seminal influence on some of the greatest literary and philosophical figures of the century, Friedrich Nietzsche has been ill-served by the caprices of historical judgment.

There are certainly easy jokes to be made at his expense. His invention of the *Obermensch* was a gift to today's pop culture planderers, who never miss an opportunity as

who never miss an opportunity, as in the cover of Philosophy for Beginners, to dress him in underpantsoutside-tights and flowing cape. In more sophisticated circles, mere mention of his name is enough to raise a guaranteed hoot of derision. In A Fish Culled

Wanda, Kevin Kline's loose hold on reality is confirmed when he wan-ders around reading extracts from Ecce Homo. Woody Allen, in a char-

acteristic fog of existential angst in Homnh and her Sisters, contem-plates becoming a Nietzschean, hnt decides against because the theory of eternal recurrence means he would "have to sit through the Ice

The pathetic intellectual decline of Nietzsche's final years, as he marauded the elegant squares of Turin in a syphilitic baze, have not

Who will wake us from our slumber? Peter Aspden says the need for a new Nietzsche - a wild and wise thinker - has never been greater Goethe-Institut in London, on a Frihelped his cause either. As the tone

losopher who announced the end of

day night, three philosophers attracted a near-capacity audience to hear their difficult papers. of his aphorisms became more savage, as his vision of transcendence turned into an unhinged apparition of despair, yes, he did indeed become mad. But should that remain the final word on his legacy? Nietzsche died, with untypical neatness, in 1900; but has any figure cast a greater shadow over the torments of the 20th century? It would not be too much of an exaggeration to talk of a thriving cottage industry; as one member of the audience remarked during a tetchy exchange: "I don't think too many of us would be here if this corments of the 20th century? was an evening about Kant." Nietzsche has pulling-power; he speaks, with increasing authority. Over the past week, select groups of devotees all over Europe and the US have celebrated the 150th anniversary of Nietzsche's hirth. At the to the modern sensibility. The phi-

God has a place in the cosmic debating chamber, it seems, after the end of history. In truth, like Karl Marx and Sig-

mund Freud, his fellow "modern masters of suspicion" as the French philosopher Paul Ricoeur put it. Nietzsche has been too easily mar-ginalised by today's enltural com-mentators. Knock down the Berlin Wall, expose a few fraudnlent psychoanalysts, laugh at the luna-tic excesses of Zarathustra and we are rid of all three in one fell swoop, primed and proud for the

post-bistorical, post-industrial, post-modern age of . . . well, what

It is not as If we are over-flowing with fresh ideas and original values for the new millennium (we can't even decide, in Britain at least, how to spend the money allotted to trnmpet its arrival). Many of today's philosophers spend their time huddled over grammatical oddities or looking for truth in a software programme. They publish papers on it, and the more papers they publish the more considered rude to ask them what they are doing, and naive to look to them for genuine illumination on

them for genume internation of how to live our lives. The need for another Nietzsche has never been greater: a bracing thinker, wild and wise, who can wake us from our slumber. He and his cohorts set the dark, disturbing agenda for the new centry; instead of listening, we wilfully misunderstood and ended with the

atrocities of two world wars. The post-war western world set-tled into the comforting homilies of consumerism and the playful ban-ter of the mass media to try and forget, but it has nut proved resy. In Bosnia, in parts of Africa, in the Middle East, we are reminded daily that we are, in the great man's

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Private View/Christian Tyler

Modest monk with a diplomatic mission

Dr Rewata Dhamma is a Buddhist who has made an impact on international affairs

improbable channel through which Burma's military junta has heen seek-ing to end the country's diplomatie isolation.

The Venerable Dr Rewata Dhamma acted as intermediary for a historic meeting a month ago between the two senior military men in Myanmar (as Burma has been renamed) and the pro-democracy leader and Nobel peace prize winner Ms Aung San Suu Kyi, put under house arrest by the military

more than five years ago. Western diplomats were initially sceptical that an innocent-looking teacher of Buddhist meditation, philosophy and scripture, a scholar of Hindi and Sanskrit, could play such a delicate role. There were suspicions that the generals might try to use him as part of a propaganda effort to improve the standing of a regime repeatedly denounced for its

abuses of human rights. Yet the fact is that the promised parley with Ms Suu Kyt did occur within weeks of Rewata Dhamma's second visit to Rangoon this year.

The ground was prepared in May this year, when, armed with a visa from the Burmese ambassador, he entered the country and met Lt Gen Khin Nyunt, head of military intelligence and first secretary of the State Law and Order Restora-

tion Council (Slore). "I think I was the first Burmese to say to him directly to free her. He explained that the army was divided and her detention was a matter of security. But I feel he was honest.

On the second visit he met Gen Khin Nyunt again, and this time was given permission to see Ms Suu Kyl.

She was very strong, cheerful, very bappy. Also her husband was there. We talked for

She was less concerned about herself than about the other political prisoners, he said. She also seemed to accept that poor education and eco-nomic instability might delay the restoration of democracy. But she asked to see General Than Shwe, the head of Slore, to discuss things directly.

The abbot then met the head of Slore and a few weeks later. her wish was granted.

not new to unofficial diplomacy, nor to international platforms. He has spoken at peace conferences in Moscow and Tokyo and at UN assemblies in New York and Geneva. Furthermore, he appears to enjoy the highest standing and connections in Burma, the country of his birth. Today, ha is being pursued by the television networks who want to make him

Our meeting place was as detached house converted into a Buddhist temple near the Brent reservoir off London's North Circular Road, The abbot (as I shall call him for convenience) produced two photographs: the first showed a slender, attractive and obeerful-looking Suu Kyi, sitting on the floor at his feet in her house in Rangoon, the second

Buddhist monk ilarly respectful attitudes on living in Bir- the floor of the guesthouse where he met them.

He also showed me a translation of a letter from her after his August visit. Signed "Sun Sun", It thanked him for his attention, advice and compas-sion and urged him to see a throat specialist for the weakness of his voice which, she wrote, might he caused by chewing betel nut.

The abbot first met Suu Kyi

in Benares, india, when she was a little girl and her mother was the Burmese envoy. Her father, Gen Aung San, Burma's resistance hero, had been assassinated in 1947 by rivals on the eve of independence from Britain. They met again regularly

when Suu Kyi studied at Oxford University (she later married Michael Aris, an Oxford don) and the abbot had ieft india to become a missionary to the west from his base in Birmingham.

The abhot was born Shwe Maung in 1929 - he looks too young for 65 - in the Irawaddy delta. Although the only son among five children he joined the Theravada order of Buddhist monks at the age of 12. A prize-winning student, he was awarded a state scholarship the first and only Buddhist monk to get one - to study Hindi and Sanskrit in India, where he completed a PhD, lectured wrote commentaries and edited, among other works, an encyclopaedia of Buddhist technical terms.

hen in 1962 the Burmese government of U Nu was toppled in a military coup led by General Ne Win, the abbot found himself an exile. When later U Nu. a devout Buddhist, himself arrived in India for medical treatment he struck up a friendship with Dr Dhamma This was enough, said the doctor, to get his name blacklisted in Burma. It was to be 30 years before he saw his homeland

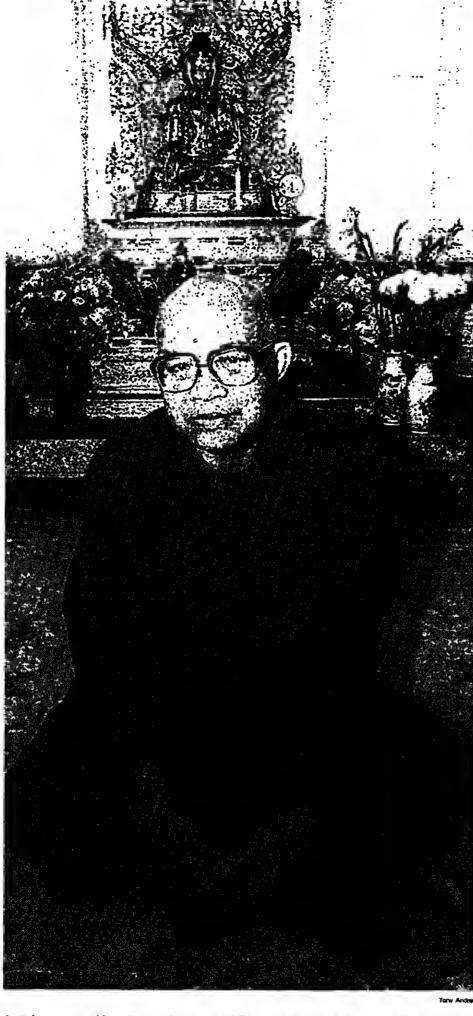
While in India, the abbot said, he was asked hy Indira Gandhi, the late prime minister, to dissuade U Nu from going back to fight the Burmese junta. Then in 1974 he was asked hy Prince Norodom Sihanouk, exiled ruler of Cambodia, to go to Peking and conduct a religious service for the prince's ailing mother. He carried a diplomatic message from Mrs Gandhi to the Chinese

I asked the abbot why he landed up in Birmingham. He replied in his indistinct English: "I did not know it. I never heard of Birmingham before." He chuckled. "Also, I wanted to learn English so l could use my knowledge - so more people could understand

You saw the English-speaking world as a promising place for Buddhism? "I felt so, yes, because many

Americans were hecoming Buddhist - Europeans also. Many people came east to learn Buddhism in the sixties." Was it difficult to go to a strange, cold island in the

"I don't feel like it was difficult. I don't know why but I a group of military men in sim- just found it very homely. I



don't have any problems here, even physically." He chuckled again. "I had no colds: many

English have fevers." There was one difficulty: opening a bank account. In Burma, there are no surnames, and the abbot had in any case adopted the single religious

"The manager asked for my Christian name," he said, "I told him I don't have a Christian name. And no surname either." He laughed. "So to make things easier I made two words of 'Rewatadhamma'." He arrived with a letter of Lord Mounthatten, who was later murdered by the IRA, and

went to see him. Were you tired of India? "No, no. I wanted to teach editation to the westerners. india doesn't need teachers of Buddhism so much. It has a whole tradition."

So it was misslonary work? Missionary work, yes. Birmingham now had 10 Buddhist centres, he said, and English-born Buddhists (not including the 50-60,000 Aslan Buddhist immigrants), more in Germany and France. He has been doing missionary work in eastern Europe. "Now they are free from communism they are

looking for something differ-ent," he explained. "The Buddha says if you are ill, what you need is medicine. It's not important who gives it to you, whether the doctor is American, English, Jewish, Christian or Buddhist, It ses the mind from strains and helps you make good decisions; it teaches us how to see things objectively."

I asked if he was surprised to find himself in the news. Not very much. Even if I try and hide myself now I cannot really escape, because this is very important news now."

Do you enjoy the attention? "Not really...But it is good for the country." Before his missions to Rangoon, the abbot had approached the UN secretariat in New York and the US State Department where officials encouraged his attempt to find out what was preventing the

generals from releasing Aung San Suu Kyi and handing over

power following the 1990 elec-

League for Democracy won 60

per cent of the vote. He explained the Buddhist method of mediation as follows: "I always say like this. We have to learn how to listen to others' problems. When you know their problem, then you will get a good solution.

"Also you try to do it with loving kindness, compassion, if someone is very angry, he can't do anything. He is suffering, so he can't do this good thing. And the same thing if I am feeling anger. I cannot listen to others. My ego, my personality - I am right, the other

is wrong - is a block in the way of understanding. "So when you are talking to both sides, you dispel your ego, your personality and just lis-ten. Then you present your own feelings and try to reconcile them to each other. And that way you get a solution." Dr Rewata Dhamma has been invited back to Rangoon next month. The military, he said, wanted to talk to him about the place of Buddhism, the creed of an estimated 85 per cent of the multi-ethnie

As They Say in Europe/James Morgan

Anchors, engineers and great powers

reached by most of the press was one which showed the

new entente with the British.

The Freneb are obsessed with proposals which envis-age the creation of a "hard

core" composed of Germany.

France and the Benefux coun-

tries which would make their own little union. Le Figoro called this "squaring the cir-

cle" for it would permit the

union to develop greater

tions there show. A great power is others define in the light of their own national interests. Britain receives a limited version of that compliment because of the obstructive nature of its European pollcies. On the other hand, no newspaper outside Italy interpreted the ontcome of that country's election in terms of what it meant for its readers.

But Germany is so treated whether it likes it or not it is a big country, it has the hig-gest national income in Burope and it has horders with nine other nations. In the past that has spelt trouble. It might do so again.

In the meantime, each nation sees chancellor Kohl as a Father Christmas, who can give them nice presents, or a policeman who might, with luck, be cajoled into adopting a helpful attitude. Thus in Bndapest, Népsznbndsdg wrote: "From a Central European perspective, Kohl's reelection may be especially good news as he may fulfil his pledge of ashering the countries of Central Europe, among which Hnngary Is numbered, into the European

in Britain, the papers dis-agreed among themseives. The Times argued that the British should aliy themselves with Germany to create a free trading north-western axis in Europe. The Daily Telegraph said

Union and Nato.

they should "build alliances with those within the union who prefer consolidation before contemplating further development". The French similarly viewed the German election from one point of view. In

this case it was the alleged

need for what they grandly call the construction of

Enrope. And, enriously

many is anxious to organise the Europe of which it

as a Father Christmas'

dreams: "A pledge of peace and a market made-to-

InfoMatin sald Germany was adopting a take-it-or-icave-it policy. That, If pursued, would unleash a noisy wave of objections in France from anti-Maastricht elements. These include person-alities near to the tough interior minister, Charies Pasqua, who "do not hesitate to compare the geographical fimits of the 'hard core' with the frontiers of the Holy Roman Empire." They now believe that anyone who says "yes" to the Germans are incorriginie "Vichyists". In

growing complexity of intra-European relationships. The

cohesion while allowing it to expand at the same time. Elsewhere all is hostility. Sud-Ouest wrote that Ger-

Each nation sees chancellor Kohl

form of treason. Most agreed that since Chancelior Kohl was now in his last term in office he was going to do all he could to achieve the integration of Enrope, just as he had achieved German unification.

British bitterly oppose the ereation of a hard-core club they would not join anyway. They want expansium, which, they hope, could scupper the idea of more integration. The French want more integration, to drive the union ever closer together, so long as they are dolng the driving. They have supreme faith in their own ideas until they emanate from Germans. In Germany there is contin-

ued reluctance to accept the country's new role. It is one which many had hoped would never he assumed again in the light of the catastrophic results of previous experiments in German leadership. A surprised Die Welt remarked: "Whoever glances

heyond our fruntlers is amazed. Kobl's re-election finds an overwhelming echo of admiration abroad, far better than the CDU bosses could have dreamed. There, every-body speaks of the guarantor of stability, of his reliable style of government, of a locomotive for integration and many other laudatory epithets.

That there is a small parliamentary majority is noted with regret. What is stressed is the strength of German emocracy, its desire for partnership and its stability.

This is the great paradox. The Germans themselves speak of the need to keep Europe. But the more firmly it is anchored, the more Germany becomes the motor and other words, going along the more it risks being seen with the German project is a se too powerful and a threat. You do not need an engineer to picture what happens when someone starts up what is either a firmly anchored motor or a motorised anchor ■ James Morgan is economics correspondent of the BBC World Service.

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